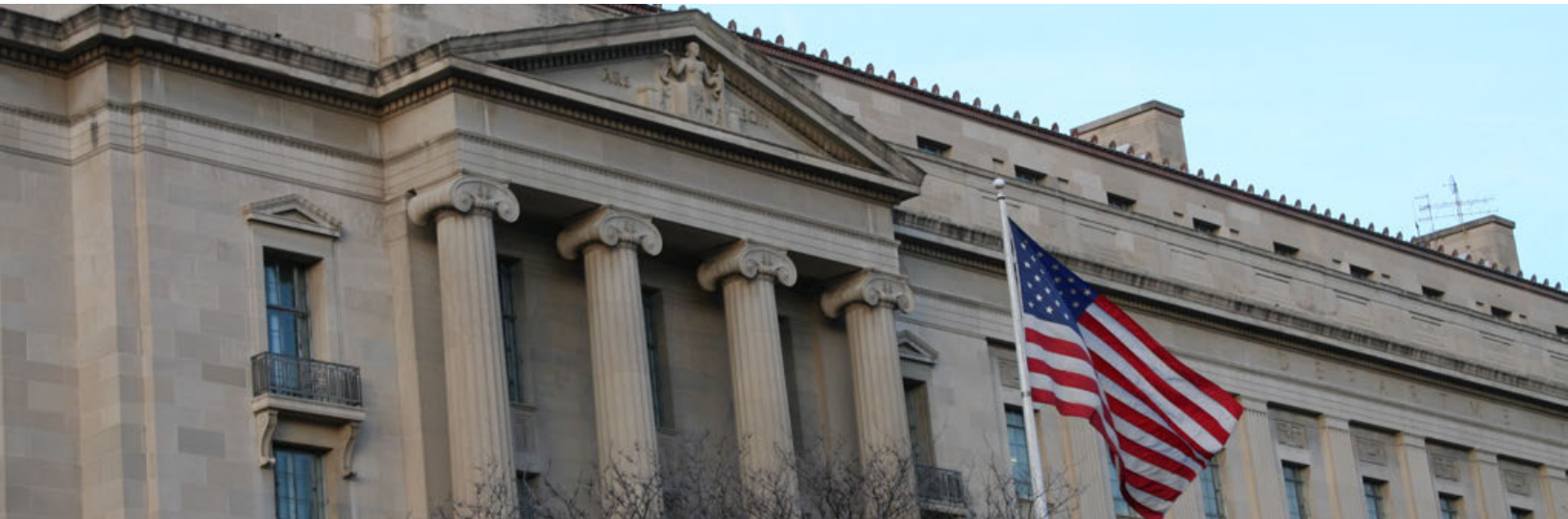




Office of the Inspector General
U.S. Department of Justice

OVERSIGHT ★ INTEGRITY ★ GUIDANCE



**Audit of the Office of Justice Programs
and Office on Violence Against Women
Grants Awarded to Wiconi Wawokiya, Inc.
Fort Thompson, South Dakota**

REDACTED FOR PUBLIC RELEASE

Redactions were made to the full version of this report for privacy reasons. The redactions are contained only in Appendix 3 and Appendix 9, and are of individuals' names and other third parties.



Executive Summary

Audit of the Office of Justice Programs and Office on Violence Against Women Grants Awarded to Wiconi Wawokiya, Inc., Fort Thompson, South Dakota

Objectives

The Department of Justice (DOJ) Office of Justice Programs (OJP) and Office on Violence Against Women (OVW) awarded Wiconi Wawokiya, Inc. (Wiconi) 12 grants totaling \$6,234,000. The objectives of this audit were to determine whether costs claimed under the awards were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the awards; and to determine whether the grantee demonstrated adequate progress towards achieving program goals and objectives.

Results in Brief

We concluded that Wiconi did not successfully administer the 12 DOJ awards we reviewed. We identified numerous instances of waste and abuse by Wiconi officials, resulting in excessive and unreasonable spending of DOJ award funds. In addition, we found systemic deficiencies in Wiconi's capability to demonstrate adequate progress toward achieving award goals and objectives, and that many of the deliverables were the same or similar for multiple awards. Overall, our review indicates that Wiconi has received funding in excess of what is necessary to accomplish award goals and objectives.

Additionally, we found that Wiconi's financial management system is not sufficient to meet federal requirements, and that Wiconi did not comply with applicable regulations and award conditions to ensure that the costs incurred were reasonable, allowable, and properly allocated. We identified significant concerns with the integrity and reliability of the documentation provided to support costs and program accomplishments. As a result, our audit identified \$5,035,888 in gross questioned costs, which resulted in \$2,887,594 in net questioned costs after adjusting costs that were questioned for multiple reasons. We also identified \$1,743,162 in funds to be put to better use.

Recommendations

Our report contains recommendations for OJP and OVW. We provided a draft of this report to Wiconi, OJP, and OVW, whose responses can be found in Appendices 9, 10, and 11, respectively.

Audit Results

The primary purpose for all 12 awards we reviewed is to serve victims of domestic violence and sexual assault on the Crow Creek and Lower Brule Sioux Tribes near Fort Thompson, South Dakota. The project period for the initial award under our review began in October 2012, and the final award is scheduled to end in September 2019. As of September 2018, Wiconi drew down a cumulative amount of \$3,146,755 for all the awards we reviewed.

In December 2017, we issued to OJP and OVW a Management Advisory Memorandum (MAM), found in Appendix 4 of this report, which formally advised each agency of preliminary yet significant concerns we identified during the early stages of our audit. In response to our preliminary findings, OJP and OVW immediately placed the funding to Wiconi on hold, which suspended Wiconi's capability of drawing down funds from the awards under our review. As of September 2018, these funds have not been released to Wiconi.

Overall, we identified significant findings related to Wiconi's financial management, and we determined Wiconi has accomplished limited supportable program success. The pervasiveness of these findings indicates that Wiconi has not successfully administered the 12 awards to demonstrate that award objectives, including serving victims of domestic violence and sexual assault, are being meaningfully addressed. More specifically, we found that Wiconi did not successfully administer 7 of the 12 awards to achieve their overall purpose, including 4 OVW awards that are duplicative of other DOJ awards. As a result, we questioned significant costs and identified substantial funds that could be put to better use.

Program Performance and Accomplishments

We identified systemic issues at Wiconi regarding progress towards the completion of award goals and objectives. First, we found that Wiconi inflated the number of victims served as well as the number of services provided. For example, we found instances where Wiconi provided the same service to a single victim and reported that victim as served under multiple



Executive Summary

Audit of the Office of Justice Programs and Office on Violence Against Women Grants Awarded to Wiconi Wawokiya, Inc., Fort Thompson, South Dakota

awards. Wiconi further inflated the total number of victims served in its progress reports by reporting the same victim receiving the same service more than once during the reporting period as a new victim. We also found that majority of the award objectives were the same or similar to other award goals and objectives. During our 3 weeks on site at Wiconi, we observed only two potential victims utilizing Wiconi shelter services.

Also, we found that the documentation provided to demonstrate progress towards the completion of award goals and objectives was not reliable, and, as a result, we cannot ensure that certain award goals and objectives have been adequately achieved. Based on what has been provided, we had additional and more specific concerns with Wiconi's accomplishment of 33 out of 58 award objectives we reviewed, 17 of which relate to awards that had ended during our review. For example, Wiconi paid \$91,644 to a child abuse investigator over 2 years, but this investigator was related to the Wiconi project coordinator and did not provide any information to support any child abuse investigative activities. According to the Wiconi project coordinator, the investigator did not adequately complete his job duties. For ongoing awards, we determined that Wiconi has not demonstrated that these deliverables will be achieved. Finally, we found that Wiconi did not support 60 sampled progress report measures, either because officials did not maintain documentation to support each metric or because the support provided did not match what Wiconi reported to DOJ.

Award Financial Management

We found that Wiconi's current financial management system is not sufficient to meet federal requirements. We determined that this system does not have the capability of: categorizing expenditures by budget category; ensuring expenditures adhere to all of the award requirements; maintaining adequate supporting documentation for all expenditures; and ensuring transactions are properly authorized by the appropriate Wiconi official. We also identified numerous instances where Wiconi's existing internal controls were inadequate or had been circumvented by Wiconi staff.

We found that Wiconi had a biennial Single Audit conducted for fiscal years 2014 and 2015, which is not in compliance with federal regulation requiring an annual audit. As a result, the 2014 Single Audit Report was late. We did not identify discrepancies with the Single Audit conducted in 2016.

Award Expenditures

We identified \$3,128,675 in questioned costs resulting from significant deficiencies in the areas of personnel costs, consulting costs, equipment costs, other direct costs, and matching costs. Our testing found instances of waste and abuse by Wiconi officials including: payment of rent on a building owned by Wiconi; involvement of the Executive Director in a multi-level essential oil operation in which at least \$12,421 in award funds was used to purchase product; widespread conflicts of interests throughout contracting activities including direct contracting with the Executive Director's husband; and food and fuel purchases for employee benefit. We also questioned all of the payroll costs charged to the 12 awards under our review due to the significant deficiencies related to the reliability of the payroll records, as well as the deficiencies of the system used to charge personnel costs to the awards. Further, during our multiple site visits, we observed employees not working accountable schedules or hours, with supervisors at Wiconi unable to identify the whereabouts of unavailable employees. In general, Wiconi could not address our requests or provide documentation associated with the management of the awards and implementation of programs.

Drawdowns

We found three awards with \$43,209 in excess drawdowns; two closed awards with \$96,768 in expired funds that have not been de-obligated; and one award with \$4,061 in unallowable expenses that occurred after the award closeout.

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS AND
OFFICE ON VIOLENCE AGAINST WOMEN GRANTS
AWARDED TO WICONI WAWOKIYA, INC.
FORT THOMPSON, SOUTH DAKOTA**

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**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS AND
OFFICE ON VIOLENCE AGAINST WOMEN GRANTS
AWARDED TO WICONI WAWOKIYA, INC.
FORT THOMPSON, SOUTH DAKOTA**

INTRODUCTION

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of 12 grants awarded by the Office of Justice Programs (OJP) and the Office on Violence Against Women (OVW) to Wiconi Wawokiya, Inc. (Wiconi) in Fort Thompson, South Dakota. As shown in Table 1, the 12 awards we reviewed totaled \$6,234,000.

Table 1

Grants Awarded to Wiconi Wawokiya, Inc.

Award Number	Awarding Agency	Award Date	Project Period Start Date	Project Period End Date	Award Amount
2013-VR-GX-K025	OJP	9/18/2013	10/01/2013	12/31/2016	\$450,000
2013-VI-GX-K008	OJP	9/18/2013	10/01/2013	3/30/2017	\$450,000
2014-XV-BX-K029	OJP	9/11/2014	10/01/2014	9/30/2018	\$660,000
2015-VT-BX-K059	OJP	9/24/2015	10/01/2015	9/30/2018	\$750,000
2016-VR-GX-K014	OJP	9/26/2016	10/01/2016	9/30/2019	\$450,000
2012-TW-AX-0016	OVW	9/19/2012	10/01/2012	4/30/2016	\$845,000
2013-CY-AX-K020	OVW	8/22/2013	8/01/2013	3/31/2017	\$350,000
2013-TW-AX-0016	OVW	9/18/2013	10/01/2013	9/30/2016	\$454,000
2014-KT-AX-0007	OVW	9/24/2014	10/01/2014	9/30/2019	\$325,000
2015-WR-AX-0031	OVW	9/15/2015	10/01/2015	9/30/2019	\$550,000
2016-TW-AX-0024	OVW	9/26/2016	10/01/2016	9/30/2019	\$600,000
2016-WH-AX-0022	OVW	9/21/2016	10/01/2016	9/30/2019	\$350,000
Total:					\$6,234,000

Source: OJP's Grant Management System

The five OJP awards were awarded to Wiconi through OJP's Office for Victims of Crime (OVC). OVC works to assist crime victims and to provide leadership in changing attitudes, policies, and practices to promote justice and healing for all victims of crime. OVC supports a broad array of programs and services that focus on helping victims in the immediate aftermath of crime and continuing to support them as they rebuild their lives. OVC uses discretionary funds to improve and enhance the skills, knowledge, and abilities of victim service providers and allied professionals who work with crime victims.

The seven remaining awards were awarded through OVW, which administers financial and technical assistance to communities across the country that are developing programs, policies, and practices aimed at ending domestic violence, dating violence, sexual assault, and stalking. Awards are used to develop effective responses to violence against women through activities that include direct services, crisis intervention, transitional housing, legal assistance to victims, court improvement, and training for law enforcement and courts. The recipients of funding work with specific populations such as elderly, persons with disabilities,

college students, teens, and culturally and linguistically specific populations. There are 7 discretionary award programs administered by OVC and OVW that are applicable to the 12 awards under our review, as shown in Table 2.

Table 2
Award Program Background

Program Title	Program Description	Award Number
DOJ Coordinated Tribal Assistance Program (CTAS) ^a	OVW Tribal Governments Program: To enhance responses to violence committed against Indian women and girls.	2012-TW-AX-0016
		2013-TW-AX-0016
		2016-TW-AX-0024
	OVC Comprehensive Tribal Victim Assistance Program: To enhance responses to victims of crime, their families, and their communities.	2013-VR-GX-K025
		2016-VR-GX-K014
	OVC Children’s Justice Act Partnerships for Indian Communities: To enhance responses to child abuse victims and their families.	2013-VI-GX-K008
OVW Engage Men & Boys as Allies Program	To create an opportunity for community collaboration that promotes boys’ and men’s role in combating violence against women and girls.	2013-CY-AX-K020
OVC Vision 21 Program	To provide operational funding that supports services and upgrades to infrastructure to ensure victim assistance.	2014-XV-BX-K029
OVW Tribal Sexual Assault Services Program	To enhance the ability of tribes to create, maintain, and expand sexual assault services on tribal lands.	2014-KT-AX-0007
OVW Rural Assistance Program	To enhance the safety of victims in rural areas that have unique geographic challenges.	2015-WR-AX-0031
OVC Services for Victims of Human Trafficking Program	To provide shelter, advocacy, health care, or specialized legal or mental health services to victims of human trafficking.	2015-VT-BX-K059
OVW Transitional Housing Assistance Program	To assist victims in need of transitional housing, short-term housing assistance, and related supportive services.	2016-WH-AX-0022

^a The DOJ’s CTAS allows federally-recognized tribes and tribal consortia to submit a single application for most DOJ’s tribal award programs.

Source: OJP and OVW

In addition to direct DOJ awards, Wiconi receives other DOJ funding, including OVC victim assistance funding as a subrecipient of the State of South Dakota and Office of Juvenile Justice and Delinquency Prevention funding as a subrecipient of the National Children’s Alliance. Wiconi also receives federal assistance from other agencies, including the Department of Interior’s Bureau of Indian Affairs and the Department of Health and Human Services. While we did not review the funding administered by these entities, our assessment of Wiconi’s overall financial and award management potentially applies to other government assistance awards.

Background

Wiconi is a non-profit victim services organization located in Fort Thompson, which is on the Crow Creek Reservation in central South Dakota. Wiconi's overall mission is to reduce violence in homes, workplaces, and schools. The organization is funded through donations and grants from local, state, and federal organizations. The primary shelter run by Wiconi is Project SAFE, which has shelter capacity for 12 to 14 people, including children. Victims from both the Crow Creek and Lower Brule Reservations can seek refuge at Project SAFE. Wiconi has developed a complex of buildings that provide services for adults and children, including storage for donated clothing and household items that victims may need. This complex includes the Children's SAFE Place, or the Child Advocacy Center, which exists to enhance investigative and case tracking of child abuse in Fort Thompson and the surrounding areas. In addition to the buildings located in Fort Thompson, Wiconi purchased a building in Chamberlain, South Dakota, known as the Pathfinder Center, to help victims of human trafficking through OVC Award Number 2015-VT-BX-K059. Finally, Award Number 2012-TW-AX-0016 was awarded to Wiconi to operate the Mita Maske Ti Ki (Mita), a satellite shelter of Project SAFE in Sioux Falls, South Dakota that is no longer in operation.

We initiated this audit in March 2017 and conducted our initial site visit in May 2017. The initial scope of our review included only the five OVC grants awarded to Wiconi. Prior to completing our audit testing, we identified significant concerns related to Wiconi's overall financial and award management. As a result, we expanded our review to include seven OVW grants awarded to Wiconi.

Upon arrival to the audit site in May 2017, key Wiconi personnel were not available for the scheduled audit entrance conference, and were not immediately available for interviews regarding the current award programs. Additionally, the documentation requested for review, such as payroll records, contracts, and invoices, was not initially available. Moreover, we observed only two potential victims utilizing the shelter services during our 3 weeks on site. Similarly, we did not witness officials utilize the Children's SAFE Place to interact with or further service any child victims.

On August 16, 2017, we issued a memorandum to Wiconi officials, which requested that Wiconi provide the critical records associated with the outstanding sampled costs and performance metrics within 20 calendar days. After issuing this memorandum, Wiconi did not address 23 percent of the transactions outlined in that memorandum, and were unable to provide any additional documentation related to performance metrics. As a result of Wiconi's limited compliance with our data requests, in conjunction with the significant deficiencies identified through our initial audit testing, we issued a Management Advisory Memorandum to OJP and OVW on December 21, 2017, which formally advised each agency of the concerns identified during the course of our ongoing audit.¹ See Appendix 3 for the

¹ During this audit, we identified certain issues requiring further investigation. We made a referral to the OIG's Investigations Division and continued our audit.

memorandum to Wiconi officials and Appendix 4 for the Management Advisory Memorandum.

OIG Audit Approach

The objectives of this audit were to determine whether costs claimed under the awards were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the award; and to determine whether the grantee demonstrated adequate progress towards achieving the program goals and objectives. To accomplish these objectives, we assessed performance in the following areas of award management: program performance, financial management, expenditures, budget management and control, drawdowns, and federal financial reports.

We tested compliance with what we consider to be the most important conditions of the awards. The DOJ Grants Financial Guide, OJP Financial Guide, OVW Financial Guide, and the award documents contain the primary criteria we applied during the audit.²

The results of our analysis are discussed in detail later in this report. Appendix 1 contains additional information on this audit's objective, scope, and methodology. The Schedule of Dollar-Related Findings appears in Appendix 2.

² We collectively refer to the DOJ Grants Financial Guide, OJP Financial Guide, and OVW Financial Guide as the DOJ Grants Financial Guide throughout the report.

AUDIT RESULTS

Program Performance and Accomplishments

We reviewed required performance reports, award solicitations and documentation, and interviewed grantee officials to determine whether Wiconi demonstrated adequate progress towards achieving the program goals and objectives. This also includes reviewing the progress reports to determine if the required reports were accurate. We also reviewed Wiconi’s compliance with the special conditions identified in the award documentation. Finally, we compared the award goals and objectives across the 12 awards to determine if Wiconi received multiple awards with similar objectives.

Duplication of Performance Metrics

In conducting our analysis of Wiconi’s program accomplishments, we found instances where Wiconi provided the same unique service to a single victim and reported that victim as serviced under multiple awards, inflating the total number of unique victims served. This means that the same victim that received a service was reported to OVC and OVW as a separate victim under multiple awards. This is evident based on the fact that the victim or client number listed on the intake forms used to log the number of victims serviced each month are repeated under multiple awards.³ A summary of this duplication for calendar year 2016 can be found in Table 3 below.⁴

Table 3

Total Victims Served under Multiple Awards for Calendar Year 2016

Award Number	Number of Intake Forms Provided for Each Award ^a	Number of Unique Victims Served Across Awards	Difference Based on OIG Analysis
January through June 2016			
OVC 2013-VR-GX-K025	95	97	Wiconi over-counted the number of unique victims serviced by 79 for this period when considering unique victims served across both awards.
OVW 2013-TW-AX-0016	81		
Total:	176	97	
July through December 2016			
OVC 2013-VR-GX-K025	101	102	Wiconi over-counted the number of unique victims serviced by 50 for this period when considering unique victims served across all three awards.
OVW 2013-TW-AX-0016	37		
OVW 2015-WR-AX-0031	14		
Total:	152	102	

^a The information in this column was derived from the intake forms provided by Wiconi to support the number of victims served in its semi-annual progress report.

Source: Wiconi

³ We were only able to identify duplicative victim or client numbers for awards where Wiconi provided all of the intake forms for that performance period as support.

⁴ We did not include child victims in this analysis.

We determined that Wiconi further inflated the total number of unique victims served within each progress report. For instance, we found examples where Wiconi provided the same services to a single victim multiple times in one reporting period, and then reported that victim as serviced more than once in the progress report under four separate awards under our review. Therefore, the number of victims served in the progress reports is higher than the actual amount of unique individuals that are receiving services from Wiconi. Again, we were able to identify this duplication through the intake forms for each victim, which show repeat victim or client numbers throughout the reporting period. For example, for calendar year 2016, Wiconi provided 294 victim intake forms under OVC Award Number 2013-VR-GX-K025. However, of those intake forms, we identified only 196 unique victim numbers. Therefore, Wiconi overstated the number of victims served under this award for this period by 98, or approximately 33 percent.⁵

To further compound this issue, we found instances where Wiconi inflated the reported number of services provided. For example, if a parent and child victim receive a gas voucher from Wiconi, this service is counted both on the parent service log, as well as on the child service log, even though only one gas voucher was given out. Similarly, if the parent receives emergency financial services, this metric is counted on both the parent service log and the child service log.

Required Performance Reports

According to the DOJ Grants Financial Guide, the funding recipient should ensure that valid and auditable source documentation is available to support all data collected for each performance measure specified in the program solicitation. In order to verify the information in the semi-annual progress reports, we selected a sample of 96 performance measures from the 2 most recent reports submitted for each award when possible. We then traced the items to supporting documentation maintained by Wiconi. A summary of our findings can be found in Table 4 on the following page.

⁵ We immediately shared this finding with OJP and OVW. Each agency concurred with our finding that reporting the same victims within a single period, as well as across multiple awards during that period, incorrectly reports the amount of victims serviced.

Table 4
Summary of Progress Report Metric Testing

Award Number	Period	Number of Performance Metrics Sampled	Number of Performance Metrics Verified	Results
2012-TW-AX-0016	July 2015 through June 2016	12	6	Wiconi did not support 2 metrics, and provided incorrect or inadequate support for 4 metrics.
2013-VR-GX-K025	January through December 2016	12	1	Wiconi provided incorrect or inadequate support for 11 metrics.
2013-VI-GX-K008		12	0	Wiconi provided incorrect or inadequate support for all 12 metrics.
2013-TW-AX-0016		12	7	Wiconi provided incorrect or inadequate support for 5 metrics.
2014-XV-BX-K029		2	0	Wiconi provided incorrect or inadequate support for 2 metrics.
2013-CY-AX-K020	July 2016 through June 2017	10	1	Wiconi did not support 7 metrics, and provided incorrect or inadequate support for 2 metrics.
2014-KT-AX-0007		10	7	Wiconi did not support 2 metrics, and provided incorrect or inadequate support for 1 metrics.
2015-WR-AX-0031		12	7	Wiconi provided incorrect or inadequate support for 5 metrics.
2016-TW-AX-0024		8	4	Wiconi provided incorrect or inadequate support for 4 metrics.
2016-WH-AX-0022		6	3	Wiconi provided incorrect or inadequate support for 3 metrics.
2015-VT-BX-K059	N/A	N/A	N/A	Wiconi officials stated that they did not have any progress to report.
2016-VR-GX-K014	N/A	N/A	N/A	Wiconi officials stated that they did not have any progress to report.
Total:		96	36	

Source: OJP, OVW, and Wiconi

Overall, we found that Wiconi could not support 60 of the sampled progress report measures, either because Wiconi officials did not maintain documentation to support the metric, or because the support provided did not match what was reported. For example, under many of the awards we reviewed, Wiconi reported that they educated dozens of individuals in the community on the prevalence of domestic violence and sexual assault through presentations, outreach, and awareness activities. However, when asked to support this accomplishment, officials were often unable to provide adequate support to demonstrate that the outreach was conducted. Additionally, we were often unable to confirm that the number of individuals reported to have attended presentations matched the documentation provided. As such, we considered these metrics not adequately supported.

We further question the accuracy of the progress report metrics due to the duplication of victim numbers and services, as explained in the *Duplication of Performance Metrics* section above. Additionally, we found that a portion of the support provided was unreliable, due to the fact that the information on each document appeared altered, and that the dates on the support had been changed.

We did not consider this documentation adequate support for any of the progress report measures sampled. Consequently, we recommend that both OJP and OVW ensure that Wiconi implements policies and procedures to ensure that Wiconi maintains and verifies valid and auditable source documentation that supports performance measures reported in the semi-annual progress reports.

Program Goals and Objectives

In Appendix 5, we identified 58 award goals and objectives for the 12 awards under our review. We found that the majority of the award objectives fit into three broad categories of award activity, including: (1) direct services to victims; (2) public education and awareness; and (3) training of individuals in the community. Consequently, we found that many of the 12 awards had goals and objectives that were the same or similar to other award goals and objectives. We also found that the documentation provided to demonstrate progress towards the completion of award goals and objectives was not reliable, and it appeared that much of this support was created in response to our request. As a result, we cannot ensure that certain award goals and objectives have been adequately achieved. Further, based on what has been provided, we had concerns with Wiconi's accomplishment of 33 award goals and objectives. We discuss each award and the objectives for which we had concerns in the following sections.

OVC Award Number 2013-VR-GX-K025 – Comprehensive Tribal Victim Assistance Program

Award Number 2013-VR-GX-K025 was awarded to develop a Comprehensive Tribal Victim Assistance Program for victims of crime, such as domestic violence or sexual assault. We found that Wiconi did not demonstrate adequate achievement of two of the three award objectives under this award, which ended on December 31, 2016. We summarize the objectives for which we had concerns below:

- *Objective #2:* The award narrative states that Wiconi would provide substance abuse assessments and cover the costs of in-patient treatment for victims wanting access, including gas vouchers or transportation for travel to regional treatment centers. Wiconi officials stated that they had to modify this objective because victims would not commit to long term rehabilitation in a regional treatment center. In a Grant Adjustment Notice (GAN), approved by the OVC, Wiconi stated that it would offer direct treatment to victims rather than referring victims to substance abuse treatment. To support this modified objective Wiconi officials were approved to use \$86,100 in award funds to conduct local cycles of treatment and aftercare.

We found that Wiconi provided two cycles of "mini-treatments" for victims under this award. When asked if the treatment was successful, Wiconi officials stated that they were not able to provide the treatment options as originally planned because they were unsuccessful in getting victims to commit to long-term treatment. As such, officials stated that many of the addicts that attended the event likely relapsed, and were overall not successful in long-term rehabilitation. Wiconi officials were unable to provide documentation to support that any individual attended the "mini-treatment",

that those individuals were victims of domestic violence or sexual assault, or that those individuals ever received services through Wiconi.

Further, we determined that many of the consultants contracted by Wiconi to provide treatment services were hired to perform highly technical tasks, such as counseling services, and alcohol and drug treatment. Under 2 C.F.R. 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), one of the factors that should be considered when determining if a cost is allowable is the qualifications of the individual rendering the service. Wiconi could not provide adequate resumes, qualifications, or information for any of consultants paid through this award to provide treatment. As such, we do not have sufficient evidence that qualified services were provided. Therefore, we recommend that OJP ensure that Wiconi implements policies and procedures to ensure that Wiconi retains qualified individuals under each award program, which includes maintaining adequate qualifications for each individual, such as resumes, background checks, or letters of reference.

While Wiconi was approved to modify the objective to hold a "mini-treatment" for victims, we were not provided sufficient evidence that the treatments were conducted by qualified individuals or provided successful rehabilitation to anyone, and more specifically individuals who were victims of domestic violence or sexual assault. Therefore, we do not have evidence that this objective was adequately achieved. We further review the costs associated with the treatment in the *Award Expenditures* section below.

- *Objective #3:* The award narrative states that Wiconi would hire a trained sexual assault nurse examiner (SANE) to provide forensic examinations and interviews to victims. Wiconi officials stated that they were unable to hire a SANE, due to a lack of available and qualified personnel, as well staff changes at the reservation. Additionally, officials stated that finding a part-time SANE was not successful, and that local assistance through other agencies was not successfully secured. No documentation was provided to indicate that Wiconi attempted to recruit a SANE, such as job advertisements or documentation indicating Wiconi collaborated with other agencies to provide victims this resource. Additionally, Wiconi did not provide documentation demonstrating that any victim received a forensic exam or interview through Wiconi or at a nearby facility. As a result, we conclude that Wiconi did not provide sufficient evidence to demonstrate that this objective was adequately achieved.

OVC Award Number 2013-VI-GX-K008 - Children's Justice Act Partnerships for Indian Communities

Award Number 2013-VI-GX-K008 was awarded to improve the investigation, prosecution, and handling of child abuse cases, as well as provide a response to child abuse victims by providing services to victims and their families. We found that Wiconi did not demonstrate adequate achievement of four of the seven award objectives, which ended on March 30, 2017. We summarize the objectives for which we had concerns below:

- *Objective #1:* The award narrative states that Wiconi would provide on-site, culturally sensitive medical examinations, forensic interviews, and advocacy to child victims. Wiconi officials stated that they did not maintain victim files for this award unless criminal charges were pursued. Through our progress report testing, which found that none of the 12 performance metrics sampled had adequate supporting documentation. Finally, officials stated that they were unable to secure a forensic interviewer for an extended period of time, and that while they did have a part time interviewer, this individual was not utilized. As a result, we conclude that Wiconi did not provide sufficient evidence to demonstrate that this objective was adequately achieved.
- *Objective #2:* The award narrative states that Wiconi would increase the number of child abuse cases that are investigated and successfully prosecuted. Wiconi officials stated that they were unable to successfully investigate child abuse cases under this award. Although a child abuse investigator was hired who was related to the project coordinator, and paid \$91,644 by Wiconi, officials stated that they did not receive time and effort reports or information regarding work performed for the investigator. Wiconi simply paid the invoiced amount every few months. Officials also stated that the child abuse investigator did not adequately complete his job duties. In our judgment, Wiconi did not retain a child abuse investigator that effectively completed the intended deliverables under this award objective, and did not maintain adequate documentation to demonstrate that any work was completed. As a result, we conclude that Wiconi did not provide sufficient evidence to demonstrate that this objective was adequately achieved.
- *Objective #3:* The award narrative states that Wiconi would review and revise the tribal codes on child abuse for the Crow Creek Sioux Tribe. Wiconi officials stated that the revisions to the juvenile code book were being handled by the Tribal Council and was very slow. Wiconi officials provided a draft of the juvenile code, however, the draft did not identify any changes to the policy, and officials have not provided a final and approved version of the tribal code. As a result, we conclude that Wiconi did not provide sufficient evidence to demonstrate that this objective was adequately achieved.
- *Objective #5:* The award narrative states that Wiconi would increase the number of perpetrators being held accountable for child abuse through public awareness, advocacy, and education. Wiconi officials stated that education has been ongoing throughout the award. However, officials provided no evidence that public awareness, advocacy, and education correlates with an increased number of perpetrators held accountable for child abuse or sexual assault. In fact, no data has been provided by Wiconi to support that the number of perpetrators held accountable for child abuse or sexual assault increased. As a result, we conclude that Wiconi did not provide sufficient evidence to demonstrate that this objective was adequately achieved.

In our judgment, because Wiconi does not maintain victim files under this award, and did not provide reliable programmatic documentation to demonstrate program accomplishments related to children's services, verifying progress for each award deliverable is problematic. Therefore, we recommend that OJP ensure that

Wiconi implements an effective system for adequately and reliably measuring program performance and accomplishments for all future awards for purposes other than shelter services, including services related to children.

OVC Award Number 2014-XV-BX-K029 - Vision 21 Program

Award Number 2014-XV-BX-K029 was awarded to support efforts to expand current crime victim assistance programs to address long-term challenges that victims face. Specifically, this award was made to open and support a wellness center, known as Wicozani Waste, in the community, and to streamline services at Wiconi. We found that Wiconi did not demonstrate adequate achievement of four of the six award objectives as of August 2017. Wiconi officials requested that the project period end date for this award be extended to September 30, 2019. However, based on our preliminary findings, OVC placed this funding on hold, and subsequently did not approve any additional project period extensions. Therefore, this award was scheduled to end on September 30, 2018. We summarize the objectives for which we had concerns below:

- *Objective #3:* The award narrative states that Wiconi will design the policies, procedures, and protocols needed for Wicozani Waste, a tribal community wellness center. Wiconi officials provided the draft policy for Wicozani Waste. However, we did not receive a finalized policy that was accepted by tribal officials. As a result, we determined that Wiconi has not demonstrated adequate progress under this objective.
- *Objective #4:* The award narrative states that Wiconi will secure adequate office space for Wicozani Waste. Wiconi officials stated that the building chosen for this space is still being renovated, and that unforeseen asbestos has prevented the facility from being open to the public. However, we determined that Wiconi paid a vendor to complete the abatement in 2015. Furthermore, Wiconi has not provided any evidence that the renovations to the building are moving forward. As a result, we determined that Wiconi has not made adequate progress under this objective.
- *Objective #5:* The award narrative states that Wiconi will provide for training to Wellness Center staff on trauma informed services. We determined that some Wiconi officials have attended training from outside sources. However, officials have not provided evidence that training has been offered to staff that intend to work at the Wellness Center. We determined under Objective #4 above that this facility is not open, and no victims are being served. As a result, we determined that Wiconi has not made adequate progress under this objective.
- *Objective #6:* The award narrative states that Wiconi will present information to the community on services at Wicozani Waste. Wiconi officials stated that they have not presented information to the community on this project and are still arranging for the printing of brochures. As a result, we determined that Wiconi has not made adequate progress under this objective.

In our judgment, Wiconi has been unable to demonstrate that objectives are being accomplished or that this project is progressing. To further compound this issue, officials requested to use part of this award funding to conduct activities not identified in the initial objectives explained above, such as hiring a traditional counselor, and conducting a family retreat for victims of crime. Given the significant obstacles Wiconi must overcome to complete the initial award objectives, we do not believe that these activities will support Wiconi's completion of the deliverables outlined above. Therefore, we recommend that OJP remedy and put to better use the remaining \$429,619 in funds obligated against this award.

OVC Award Number 2015-VT-BX-K059 - Services for Victims of Human Trafficking Program

Award Number 2015-VT-BX-K059 was awarded to enhance the quality and quantity of services available to assist victims of human trafficking, and increase the capacity of communities to respond to human trafficking victims through community partnerships. We found that Wiconi did not demonstrate adequate achievement of four of the five objectives as of August 2017. Wiconi officials requested that the project period end date for this award be extended to September 30, 2019. However, based on our preliminary findings, OVC placed this funding on hold, and subsequently did not approve any additional project period extensions. Therefore, this award was scheduled to end on September 30, 2018. We summarize the objectives for which we had concerns below:

- *Objective #1:* The award narrative states that Wiconi will provide direct services to human trafficking victims that are victim-centered and trauma informed with individualized service plans. Officials did not provide evidence that any victims have been served, and have not provided any individualized service plans. As a result, we determined that Wiconi has not demonstrated adequate progress under this objective.
- *Objective #2:* The award narrative states that Wiconi will develop protocols and procedures that will enhance a coordinated response to trafficking victims. Wiconi officials provided a welcome packet for victims at the shelter that outlines the victim intake process and the services offered. However, officials have not provided protocols or procedures to respond to trafficking victims. As a result, we determined that Wiconi has not demonstrated adequate progress under this objective.
- *Objective #3:* The award narrative states that Wiconi officials will provide training for advocates or law enforcement officials. However, no evidence has been provided that these services have been offered by the organization. As a result, we determined that Wiconi has not demonstrated adequate progress under this objective.
- *Objective #5:* The award narrative states that Wiconi officials will provide an evaluation of the project, but has not provided evidence that this has occurred. Additionally, Wiconi officials stated that an evaluation was not completed. As a result, we determined that Wiconi has not demonstrated adequate progress under this objective.

We determined that this project was ongoing during our review. As shown in Table 1, the project period for this award began on October 1, 2015, and was scheduled to end on September 30, 2018. Based on our review of the progress made on each project deliverable above, we determined that additional oversight is necessary to ensure that Wiconi completes the goals and objectives under this award. Therefore, we recommend that OJP provide additional oversight and monitoring of Wiconi to ensure that the award goals and objectives are adequately met under this award.

OVC Award Number 2016-VR-GX-K014 –Comprehensive Tribal Victim Assistance Program

Award Number 2016-VR-GX-K014 was awarded to develop a Comprehensive Tribal Victim Assistance Program for victims of crime, such as domestic violence or sexual assault. We found that Wiconi officials have not reported any progress under this award, as shown in Table 4. Additionally, this award falls under the same award program as Award Number 2013-VR-GX-K025, as shown in Table 2. Therefore, the award objectives under this award are similar to the objectives created under the award initially made under this award program. Based on our analysis of the award goals and objectives for Award Number 2013-VR-GX-K025 above, we determined that additional oversight and revision of the award deliverables is necessary to ensure that Wiconi can adequately complete the project in a timely manner. Therefore, we recommend that OJP provide additional oversight and monitoring of Wiconi, which includes reviewing and revising award goals and objectives, to ensure that those award goals and objectives can be adequately completed under this award.

OVW Award Number 2012-TW-AX-0016 - Tribal Governments Program

Award Number 2012-TW-AX-0016 was awarded to enhance a response to violent crime against Indian women and girls. Specifically, this award was primarily made to enhance service victims at the Mita shelter in Sioux Falls, South Dakota. We found that Wiconi did not adequately demonstrate accomplishment of two of the four award objectives, which ended on April 30, 2016. We summarize the objectives for which we had concerns below:

- *Objective #2:* The award narrative states that Wiconi would provide legal advocacy with a trained legal advocate. We found that criminal justice advocacy was listed as a service provided on the victim service logs for this award. However, we were not provided with additional documentation, such as police reports, court records, or victim notes to indicate that a trained legal advocate assisted victims under this award, despite multiple requests for this documentation. Finally, the most recent progress report for this award states that Wiconi did not provide any legal services to victims. As a result, we conclude that Wiconi did not provide sufficient evidence to demonstrate that this objective was adequately achieved.
- *Objective #3:* The award narrative states that Wiconi would provide transitional housing for women and their children who need long-term housing in a safe environment. However, officials did not provide evidence

that this took place under this award. Furthermore, we have no evidence that victims were transitioned to permanent housing after the shelter closed in May 2016. As a result, we conclude that Wiconi did not provide sufficient evidence to demonstrate that this objective was adequately achieved.

OVW Award Number 2013-CY-AX-K020 - Engage Men & Boys as Allies Program

Award Number 2013-CY-AX-K020 was awarded to support a comprehensive child and youth centered prevention, intervention, treatment, and response, strategies to more fully address sexual assault, domestic violence, dating violence and/or stalking. We found that Wiconi did not adequately demonstrate accomplishment of seven of the eight award objectives, which ended on March 31, 2017. We summarize the objectives for which we had concerns below:

- *Objective #2:* The award narrative states that Wiconi would conduct a 3-day summer camp for 12 boys and hold a softball camp for 15 boys each summer of the award. While we found that Wiconi held a 3-day boys camp in 2014, the subject matter on the agenda provided does not specifically address mentoring related to engaging boys in stopping domestic violence and sexual assault, but instead focused on cultural and entertainment activities. Furthermore, we determined that a softball camp that does not address these issues falls outside of the scope of the project. In our judgment, Wiconi has been unable to demonstrate that this objective further addresses the overall purpose of the award and, therefore, has not demonstrated that this objective was adequately achieved.
- *Objective #3:* The award narrative states that Wiconi would give presentations in schools using materials specifically designed for engaging boys against stopping violence against girls. Wiconi reported ongoing educational activities within local schools, but did not successfully support the metrics reported in its semi-annual progress reports, as shown in Table 4. Additionally, officials did not provide presentation material designed specifically for engaging boys in stopping violence against girls. As a result, we conclude that Wiconi did not provide sufficient evidence to demonstrate that this objective was adequately achieved.
- *Objective #4:* The award narrative states that Wiconi would conduct a public service announcement (PSA) with boys and adult men to be broadcasted each month of the award. While we found that Wiconi paid for a PSA in March 2015, we did not receive evidence that identified the number of times the PSA was aired, and we did not receive evidence that the PSA involved boys and adult men. As a result, we conclude that Wiconi did not provide sufficient evidence to demonstrate that this objective was adequately achieved.
- *Objective #5:* The award narrative states that Wiconi would distribute posters or brochures throughout the reservation. However, officials did not provide evidence that this took place under this award. As a result, we conclude that Wiconi did not provide sufficient evidence to demonstrate that this objective was adequately achieved.

- *Objective #6:* The award narrative states that Wiconi would have adult men participate as mentors and teachers to youth boys. While we found that Wiconi officials paid consultants for cultural teaching, we were not provided a curriculum related to the teaching of young men and boys, and were not provided evidence of consistent and effective mentoring throughout the award period. As a result, we conclude that Wiconi did not provide sufficient evidence to demonstrate that this objective was adequately achieved.
- *Objective #7:* The award narrative states that Wiconi would hold a Warrior in Wellness program each year of the award. However, officials did not provide evidence that this was conducted. Officials also did not provide evidence that this event meaningfully addresses engaging boys in stopping violence against girls. As a result, we conclude that Wiconi did not provide sufficient evidence to demonstrate that this objective was adequately achieved.
- *Objective #8:* The award narrative states that Wiconi would hold a monthly Inipi or Sweat Lodge purification ceremony for boys' ages 12 to 18. However, officials did not provide evidence that this was conducted. As a result, we conclude that Wiconi did not provide sufficient evidence to demonstrate that this objective was adequately achieved.

Additionally, we found that Wiconi extended the award timeline by 8 months, and requested to significantly adjust its approved budget and timeline by an additional 6 months. However, the OVW grant manager denied the request due to the fact that the previous extension approved by OVW was for similar activities, and that the progress reports submitted since the initial extension did not reflect that those activities were implemented. The grant manager also stated that the activities proposed by Wiconi were outside the scope of the program, and did not meaningfully address domestic violence and sexual assault. This further signifies Wiconi's limited achievements under this award and that the work completed under this project was not for the purposes intended by OVW.

In our judgment, because Wiconi did not provide reliable programmatic documentation to demonstrate program accomplishments related to mentoring services, such as adequate sign-in sheets or evidence of a curriculum, we cannot determine if progress was made towards each award deliverable. Therefore, we recommend that OVW ensure that Wiconi implements an effective system for adequately and reliably measuring program performance and accomplishments for all future awards for purposes other than shelter services, including awards related to mentoring.

OVW Award Number 2013-TW-AX-0016 - Tribal Governments Program

Award Number 2013-TW-AX-0016 was awarded to enhance a response to violent crime against Indian women and girls. Specifically, this award was primarily made to enhance services to victims at Project SAFE in Fort Thompson, South Dakota. We found that Wiconi did not adequately demonstrate accomplishment of two of the three award objectives, which ended on September 30, 2016. We summarize the objectives for which we had concerns below:

- *Objective #1:* The award narrative states that Wiconi would provide services to victims in the area, including hiring an advocate at the Missouri Valley Crisis Center (MVCC) in Chamberlain, South Dakota, and providing training to the new advocates and law enforcement. While we confirmed that victims were serviced under this award, Wiconi officials did not provide evidence that an advocate at the MVCC was hired, and did not provide evidence to indicate that Wiconi expanded their services to the Chamberlain, South Dakota area. As a result, we conclude that Wiconi did not provide sufficient evidence to demonstrate that this objective was adequately achieved.
- *Objective #2:* The award narrative states that Wiconi would provide legal advocacy with an attorney to victims. We found that criminal justice advocacy was listed as a service provided on the victim service logs for this award, however, we were not provided additional documentation, such as police reports, court records, or victim notes that indicate that an attorney assisted victims under this award, or provided specialized legal training to advocates at the organization. As a result, we conclude that Wiconi did not provide sufficient evidence to demonstrate that this objective was adequately achieved.

OVW Award Number 2014-KT-AX-0007 - Tribal Sexual Assault Services Program

Award Number 2014-KT-AX-0007 was awarded to support sexual assault victims through the healing process, as well as provide intervention, counseling, and advocacy services. We found that Wiconi did not demonstrate adequate achievement of three of the four award objectives as of August 2017 which ends on September 30, 2019. We summarize the objectives for which we had concerns below:

- *Objective #2:* The award narrative states that Wiconi will expand services to survivors through MVCC. Officials stated in their most recent progress report that instead of contracting with MVCC, Wiconi will hire an additional advocate at the Pathfinder Center. We have not received evidence of additional personnel at Wiconi. As a result, we determined that Wiconi has not demonstrated adequate progress under this objective.
- *Objective #3:* The award narrative states that Wiconi will promote the healing of survivors by providing counseling services. Officials stated in their most recent progress report that the original counselor outlined in the award documentation is no longer located in the area. As a result, we determined that Wiconi has not demonstrated adequate progress under this objective.
- *Objective #4:* The award narrative states that Wiconi will provide additional healing through traditional ceremonies and projects. However, officials did not provide evidence that a traditional ceremony has been conducted. As a result, we determined that Wiconi has not demonstrated adequate progress under this objective.

While this project is ongoing, we found that Wiconi has not provided evidence that three of the four deliverables proposed under Award Number 2014-KT-AX-0007

have been adequately achieved as of August 2017, and Wiconi officials have not demonstrated that the additional deliverables will be completed.

OVW Award Number 2015-WR-AX-0031 - Rural Assistance Program

Award Number 2015-WR-AX-0031 was awarded to support rural victims of domestic violence and sexual assault. Specifically, this award was primarily made to service victims in the Lower Brule Sioux Tribe community in Lower Brule, South Dakota. We found that Wiconi did not demonstrate adequate achievement of one of the five award objectives as of August 2017, which ends on September 30, 2019. We summarize the objectives for which we had concerns below:

- *Objective #5:* The award narrative states that Wiconi will implement a court ordered and monitored offenders' education program. However, officials did not provide evidence that this has been implemented. As a result, we determined that Wiconi has not demonstrated adequate progress under this objective.

While this project is ongoing, we found that Wiconi has not provided evidence that one of the five deliverables proposed under Award Number 2015-WR-AX-0031 has been adequately achieved as of August 2017, and Wiconi officials have not demonstrated additional deliverables will be completed.

OVW Award Number 2016-TW-AX-0024- Tribal Governments Program

Award Number 2016-TW-AX-0024 was awarded to enhance a response to violent crime against Indian women and girls. Specifically, this award was primarily made to enhance service to victims at Project SAFE in Fort Thompson, South Dakota. We found that Wiconi did not demonstrate adequate achievement of two of the five award objectives as of August 2017, which ends on September 30, 2019. We summarize the objectives for which we had concerns below:

- *Objective #3:* The award narrative states that Wiconi will provide training to agencies on the provision of services to underserved populations based on disability, sexual orientation, and gender identity. However, officials have not provided evidence that this has occurred. As a result, we determined that Wiconi has not demonstrated progress under this objective.
- *Objective #5:* The award narrative states that Wiconi will conduct quality control through data collection, evaluation, development of policies and procedures, meetings for planning and supervision, and reporting. However, officials have not provided evidence that this has occurred. As a result, we determined that Wiconi has not demonstrated adequate progress under this objective.

While this project is ongoing, we found that Wiconi has not provided evidence that two of the five deliverables proposed under Award Number 2016-TW-AX-0024 have been adequately achieved as of August 2017, and Wiconi officials have not demonstrated that the additional deliverables will be completed.

OVW Award Number 2016-WH-AX-0022 - Transitional Housing Assistance Program

Award Number 2016-WH-AX-0022 was awarded to provide aid to victims of domestic violence, sexual assault, dating violence, and stalking who are homeless, in need of transitional housing, or other housing assistance. We found that Wiconi did not demonstrate adequate achievement of two of the three award objectives as of August 2017, which ends on September 30, 2019. We summarize the objectives for which we had concerns below:

- *Objective #1:* The award narrative states that Wiconi will provide transitional housing for six to nine victims in a rural jurisdiction. It appears that one victim has utilized the transitional housing facility secured by Wiconi as of August 2017. As a result, we determined that Wiconi has not demonstrated adequate progress under this objective.
- *Objective #2:* The award narrative states that Wiconi will offer transitional housing victims a broad range of culturally sensitive services for Native and non-Native women of color. We determined that a transitional housing facility and the associated services are available for victims in Fort Thompson. However, only one victim has utilized the transitional housing facility as of August 2017, and Wiconi did not provide evidence that culturally sensitive services had been provided to that victim as of this date. As a result, we determined that Wiconi has not demonstrated adequate progress under this objective.

We determined that this project is ongoing. Wiconi officials stated that the scope of the project is undergoing revision to best suit the needs of the victims in the area. Based on our review of the progress made on each project deliverable above, we determined that additional oversight is necessary to ensure that Wiconi completes the goals and objectives under this award. Therefore, we recommend that OVW provide additional oversight and monitoring of Wiconi to ensure that the award goals and objectives are adequately met under this award.

Overall, based on our testing for all awards, we found that Wiconi was unable to demonstrate that many of the goals and objectives for each completed award were accomplished. Similarly, we found that for ongoing projects, Wiconi could only demonstrate limited progress towards completing the award deliverables. A final determination and assessment of Wiconi's awards is found in the *Overall Assessment of Wiconi Awards* section of this report.

Compliance with Special Conditions Related to Performance

Special conditions are the terms and conditions that are included with the awards. We evaluated the special conditions for each award and selected a judgmental sample of the requirements that are significant to performance under the awards and are not addressed in another section of this report. We evaluated

16 special conditions associated with 10 out of the 12 awards under our review.⁶ We identified 11 instances where Wiconi was not in compliance with special conditions related to performance, which are summarized below:

1. Several of the awards required that Wiconi officials notify the awarding agency grant manager, in writing, if award objectives and cost items are similar to awards made by other awarding agencies. However, we found that Wiconi violated this special condition under four awards, including OVC Award Number 2013-VR-GX-K025, OVC Award Number 2016-VR-GX-K025, OVW Award Number 2013-TW-AX-0016, and OVW Award Number 2016-TW-AX-0024. In the *Program Goals and Objectives* section of this report, as well as in Appendix 5, we found that majority of the award objectives were the same or similar to other award goals and objectives. Ultimately, our review indicates that Wiconi received funding in excess of what is necessary to accomplish award goals and objectives.
2. For OVC Award Number 2013-VR-GX-K025, we found that the award required Wiconi officials to submit to OVC, within 90 days of the date of the award, its policies and procedures established to maintain the confidentiality of victims' personal information. We determined that this certification was submitted under OVW Award Number 2013-CY-AX-K020, but was not signed until May 2014, well after the 90 days required by this special condition. It was not submitted under OVC Award Number 2013-VR-GX-K025.
3. Several of the awards require that Wiconi officials submit to OVC, within 30 days of the date of the award, a revised time-task plan developed in consultation with the OVC program specialist. However, we found that Wiconi violated this special condition under four awards, including OVC Award Number 2013-VR-GX-K025, OVC Award Number 2013-VI-GX-K008, OVC Award Number 2014-XV-BX-K029, and OVC Award Number 2015-VT-BX-K059.
4. For OVW Award Number 2013-CY-AX-K020, we found that the award required Wiconi officials to provide to OVW a final report, which provides a summary of progress toward achieving the goals and objectives of the award, within 90 days after the end of the award. We determined that this award ended on March 31, 2017, and the final report was not submitted until July 28, 2017, well after the 90 days required by this special condition.
5. For OVW Award Number 2014-KT-AX-0007, we found that the award prohibited Wiconi from using award funds towards prevention education efforts and projects focused on training. However, we determined that Wiconi used federal funds towards prevention education efforts and training of community professionals, which is explicitly prohibited under this special condition.

⁶ We tested additional special conditions related to award expenditures to encompass special condition testing for all 12 awards. See the *Compliance with Special Conditions Related to Award Expenditures* section of this report for additional testing.

Overall, we found that Wiconi was not in compliance with 11 special conditions that we reviewed related to program performance. As a result, we recommend that both OJP and OVW ensure that Wiconi implements policies and procedures to ensure that Wiconi complies with award special conditions. We also identified additional special conditions where Wiconi was not in compliance related to award expenditures. We discuss these instances of non-compliance in more detail in the *Award Expenditures* section of this report.

As it relates to the funding received by Wiconi, we also note our concern regarding OJP and OVW's oversight over the 4 year period in which Wiconi was awarded over \$6 million.⁷ The oversight conducted by OJP and OVW did not identify the systemic issues at Wiconi regarding progress towards the completion of award goals and objectives. We discussed our concerns with OJP and OVW, and both agencies stated that additional or more stringent oversight is dependent upon the resources available to each agency in any given year. However, in our judgment, additional oversight could have potentially identified some of the waste and abuse of award funds we identified across all awards.

Award Financial Management

According to the DOJ Grants Financial Guide, all award recipients and subrecipients are required to establish and maintain adequate accounting systems and financial records and to accurately account for funds awarded to them. To assess Wiconi's financial management of the awards covered by this audit, we conducted interviews with financial staff, examined policy and procedures, and inspected award documents to determine whether Wiconi adequately safeguards the award funds we reviewed. We also reviewed Wiconi's Single Audit Report from 2014 through 2016 to identify internal control weaknesses and significant non-compliance issues related to federal awards. Finally, we performed testing in the areas that were relevant to the management of these awards, as discussed throughout this report.

Accounting System and Internal Controls

Based on our review, we concluded that Wiconi has not adequately demonstrated that its current financial management system is sufficient to meet the requirements set forth in the DOJ Grants Financial Guide. Specifically, we found that Wiconi officials: (1) did not maintain documentation to support all expenditures and obligations of federal funds; (2) did not comply with applicable regulations and award conditions to ensure that the costs incurred were reasonable, allowable, and properly allocated; (3) did not properly classify transactions in the accounting system; and (4) did not maintain a general accounting ledger for matching expenditures to account for cash or in-kind contributions made to the project by the organization.

The DOJ Grants Financial Guide states that a recipient is responsible for establishing and maintaining an adequate system of internal controls. We identified

⁷ Since 1996, Wiconi has received \$11,931,401 in funding from OJP and OVW.

numerous instances where Wiconi's existing internal controls are inadequate or have been circumvented by Wiconi staff. For example, Wiconi's internal policy states that all disbursements will be approved by the Executive Director and the Board of Directors. Numerous transactions we reviewed did not contain the proper authorizations, including purchases with no authorization request, no supervisory approvals, and missing signatures. This includes instances where the Executive Director created a transaction request, and subsequently acted as the sole approver for that request. Similarly, we identified certain expenses that lack any controls, such as expenditures made using a credit account. We found that employees that use credit accounts could make purchases at any time without authorization. We further discuss the issues related to Wiconi's financial management system and internal controls in the *Award Expenditures* section of this report. We discuss our findings related to the authorization and classification of non-payroll direct cost expenses in the section below.

Authorization and Classification of Expenses

Wiconi's financial policy states that all disbursements will be approved by the Executive Director and initialed by a member of the Board of Directors who has reviewed the requests. Additionally, the policy states that two signatures are required on all checks, with at least one signature by a member of the Board of Directors. The policy also states that all travel disbursements are processed upon receipt of proper authorization and documentation. The disbursement requests, or transaction authorizations provided by Wiconi officials require a signature by the individual who prepares the request, the Executive Director's signature, and a Board member's initial. Finally, mileage reimbursement forms completed by Wiconi officials require a signature and date by both the individual who is requesting the reimbursement, and the Executive Director.

Based on our review of 601 non-payroll direct expenditures, we identified numerous transactions that were not properly authorized. Specifically, we identified: (1) 71 transactions that did not come with the appropriate disbursement or transaction request; (2) 197 instances where officials did not properly sign or authorize the documentation associated with the transactions we reviewed; and (3) 287 instances where officials did not appropriately date the transactions. We further assess the authorization of payroll transactions and timesheets in the *Personnel Costs* section of this report.

Additionally, as stated in the *Award Financial Management* section above, the DOJ Grants Financial Guide states that all recipients are required to establish and maintain accounting systems and financial records to accurately account for funds awarded to them. An adequate accounting system for a recipient must be able to separately track expenditures, assets, and liabilities for awards, programs, and subrecipients. To properly account for all awards, recipients should establish and maintain program accounts which will enable separate identification and accounting for funds applied to each budget category included within the approved award.

By comparing the chart of accounts that identifies each account code in the accounting system to the supporting documentation provided for that transaction,

we identified instances where the same costs are allocated to different accounting codes or cost centers. We also found that within each budget category there were multiple accounting codes for similar costs. Finally, we found that there were many costs that did not clearly fit into one of the budget categories, and were therefore classified as 'Other'. Overall, we determined that Wiconi's improper classification of expenses is a systemic issue relating to all of Wiconi's awards, and demonstrates that Wiconi's accounting system does not have the required capability of budget control. A summary of the 601 tested non-payroll direct cost transactions that we consider to be improperly authorized and classified is identified in Table 5 below.

Table 5
Non-Payroll Transactions Improperly Authorized or Classified

	No. of Trans. Improperly Authorized or Classified		Number of Transactions In Sample		% Improperly Authorized or Classified		Total		
	OVC	OVW	OVC	OVW	OVC	OVW	#	N	%
Authorizations	118	98	330	271	35.76%	36.16%	216	601	35.94%
Classifications	46	27			13.94%	9.96%	73		12.15%

Source: Wiconi

As a result, we recommend that OJP and OVW ensure that Wiconi enforce its existing policy related to the authorization of award expenditures, which includes ensuring that all disbursements are approved by a member of the Board of Directors who has reviewed the request, and ensuring that all mileage and per diem reimbursements are completed by the employee requesting the reimbursement, and subsequently authorized by the Executive Director. Additionally, we recommend that OJP and OVW ensure that Wiconi implements additional policies and procedures to ensure the proper accounting and classification of award funds by establishing a system to adequately record, monitor, and track funds according to project category in order to consistently classify expenses using a clear and precise methodology.

Compliance with Single Audit Requirements

Non-federal entities that receive federal financial assistance are required to comply with the *Single Audit Act of 1984*, as amended. The Single Audit Act provides for recipients of federal funding above a certain threshold to receive an annual audit of their financial statements and federal expenditures. Under Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Government, and Non-Profit Organizations, such entities that expend \$500,000 or more in federal funds within the entity's fiscal year must have a "single audit" performed annually covering all federal funds expended that year.⁸

⁸ On December 26, 2014, OMB Circular A-133, was superseded by 2 C.F.R. 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The new guidance, which affects all audits of fiscal years beginning on or after December 26, 2014, raised the audit threshold from \$500,000 to \$750,000.

We reviewed Wiconi's Single Audit Reports (SAR) from fiscal year 2014 through 2016. We found that Wiconi conducted a biennial Single Audit for fiscal years 2014 and 2015, meaning that Wiconi officials provided one report to cover the fiscal year ending June 30, 2014 and June 30, 2015. We determined that the biennial SAR was submitted on June 8, 2016, nearly 2 fiscal years after the conclusion of fiscal year 2014. As a result, the 2014 review was conducted late and was not in compliance with OMB Circular A-133. Therefore, we recommend that OJP and OVW ensure that Wiconi completes required single audits in compliance with 2 C.F.R. 200, or the current Uniform Guidance. We did not identify discrepancies with the Single Audit conducted in 2016.

Award Expenditures

For all 12 awards under our review, Wiconi's approved budgets included personnel, fringe benefits, travel, equipment and/or supplies, consultants/contracts, and other costs. Wiconi is also required to expend \$250,000 in matching expenditures for OVC Award Number 2015-VT-BX-K059, which represents a 25 percent local match for that award.

To determine whether costs charged to the awards were allowable, supported, and properly allocated in compliance with award requirements, we tested a judgmental sample of 2,261 expenditures, totaling \$1,185,956 under all 12 awards. We also reviewed all 41 matching expenditures under Award Number 2015-VT-BX-K059, totaling \$86,538. A summary of our sampled transactions by award can be found in Table 6 on the following page.

Table 6
Summary of Sampled Transactions⁹

Award Number	Personnel Costs		Consultant Costs		Equipment Costs		Other Direct Costs		Total:	
	<i>n</i>	\$	<i>n</i>	\$	<i>n</i>	\$	<i>n</i>	\$	<i>N</i>	\$
2013-VR-GX-K025	318	\$102,387	63	\$53,359	1	\$877	122	\$105,109	504	\$261,733
2013-VI-GX-K008	338	\$91,863	19	\$82,392	2	\$30,648	43	\$19,948	402	\$224,851
2014-XV-BX-K029	199	\$68,010	7	\$5,851	0	\$0	42	\$21,201	248	\$95,062
2015-VT-BX-K059	43	\$11,950	1	\$121	0	\$0	15	\$7,194	59	\$19,265
2016-VR-GX-K014	17	\$3,803	3	\$1,600	0	\$0	12	\$3,323	32	\$8,726
2012-TW-AX-0016	138	\$76,601	13	\$17,104	5	\$34,833	96	\$101,644	252	\$230,182
2013-CY-AX-K020	231	\$74,055	13	\$8,335	2	\$1,678	32	\$21,671	278	\$105,740
2013-TW-AX-0016	215	\$114,709	7	\$3,965	0	\$0	58	\$34,042	280	\$152,715
2014-KT-AX-0007	73	\$21,987	0	\$0	1	\$712	10	\$7,118	84	\$29,817
2015-WR-AX-0031	72	\$27,607	1	\$150	0	\$0	12	\$6,043	85	\$33,800
2016-TW-AX-0024	9	\$1,890	0	\$0	0	\$0	15	\$8,621	24	\$10,511
2016-WH-AX-0022	7	\$3,689	1	\$199	0	\$0	5	\$9,666	13	\$13,554
Total:	1,660	\$598,551	128	\$173,077	11	\$68,749	462	\$345,580	2,261	\$1,185,956

Source: OIG and Wiconi

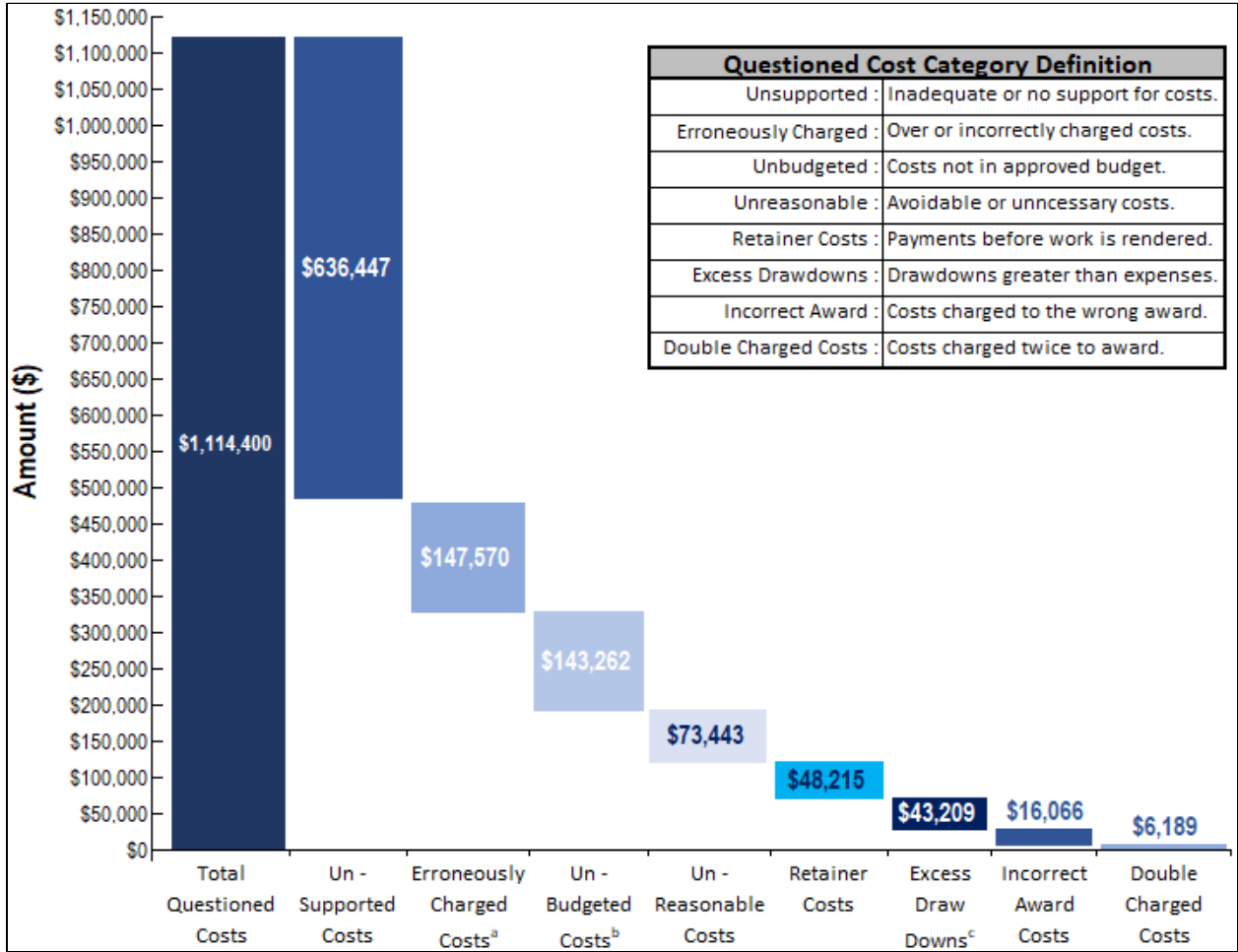
We reviewed supporting documentation, accounting records, and performed verification testing related to award expenditures. We found \$1,114,400 in total gross questioned costs identified through our audit testing. Of the total amount, \$686,142 in gross questioned costs is associated with the OVC awards, and \$428,258 in gross questioned costs is associated with the OVW awards.¹⁰ We summarize the amount of gross questioned costs by type of cost in Figure 1 on the following page.

⁹ Here and throughout the report, difference in the total amounts are due to rounding.

¹⁰ These amounts include duplicate questioned costs, which are costs questioned for more than one reason.

Figure 1

Gross Questioned Costs Identified Through Testing



Note: This figure includes duplicate costs that were questioned for more than one reason.

(a)(c) Amount includes questioned costs identified in the *Drawdowns* section of this report.

(b) Amount includes questioned costs identified in the *Budget Management and Control* section of this report.

Source: Wiconi

We made 42 recommendations to both OJP and OVW to remedy the \$1,114,400 in gross questioned costs identified here in the *Conclusions and Recommendations* section of this report. The next sections discuss in more detail the results of our testing by budget category.

Personnel Costs

The DOJ Grants Financial Guide states that charges made to federal awards for salaries, wages, and fringe benefits must be based on records that accurately reflect the work performed and comply with the established policies and practices of the organization. Charges must be supported by a system of controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated. Support for payroll charges must reasonably reflect the total activity for which the employee is compensated and cover both federally funded and all other activities. Where recipients work on multiple grant programs or cost activities, documentation must support a reasonable allocation or distribution of costs among specific activities or cost objectives.

We reviewed 1,660 salary and fringe benefit transactions totaling \$598,551 across 4 years of payroll. This included wage transactions; payroll taxes; fringe benefits, such as health insurance and retirement benefits; and additional fringe transactions paid to the insurer in lump sums. Based on our review, we identified the following issues related to payroll:

Unallowable Payroll Transactions

We found numerous unallowable transactions resulting from:

- timesheets that reflected less time worked than what was listed in the award financial records;
- employees that charged time to the awards that were not listed in the approved award budget;
- employees that were not listed in the approved award budget that received incentive awards, as well as incentive awards that were not listed in the approved award budget;
- payments to an employee that were double paid, or double charged to the award;
- timesheets that indicated that the time worked was outside of the award project period; and
- fringe transactions that were not listed in the approved award budget or allowed under terms and conditions for federal awards, and were also double charged to the award.

Unsupported Payroll Transactions

We also found numerous unsupported transactions resulting from:

- 48 transactions where timesheets or pay stubs were not provided;
- timesheets that did not reflect the time and effort detail necessary to test the payroll charged to the award;

- timesheets that indicated that annual or sick leave was used, but the pay stub did not reflect that the leave was deducted from the employees' leave balance;
- paystubs that indicated that the employee earned additional pay with no documentation or support for the allocation to the award; and
- inadequate justification for employee incentives.

Deficiencies with Employee Leave

Wiconi's policy states that holiday leave can be taken on the actual holiday, or one day before or after that holiday occurs. However, we found that Wiconi does not consistently follow this policy, and identified what we determined to be additional inadequacies related to employee leave balances, resulting from:

- instances where the employee earned more annual or sick leave than allowed by Wiconi policy, or that the leave reflected on the timesheet did not match what was deducted from the employees' leave balance on the paystub;
- instances where employees accrued leave for receiving an incentive award or using part of their leave balance for cash, with no time worked to indicate that leave should be earned in accordance with Wiconi policy;
- instances where employees earned leave for receiving back pay for an increase in salary, even though the employee already earned leave for the original pay periods;
- 27 instances where holiday, administrative, or bereavement leave was improperly used, including instances where employees took leave on days where holiday, administrative, or bereavement leave would not be applicable and in accordance with Wiconi policy;
- 131 transactions with missing leave authorizations;
- employees that received a large sum of annual leave before they were eligible to start earning leave based on Wiconi's own policy, further increasing their leave balance.

We determined that the amount of annual and sick leave accrued by Wiconi officials has been abused. We found that the excessive use and accrual of employee leave has resulted in unreasonable expenditures of DOJ funds to support excessive leave balances. Additionally, Wiconi officials have demonstrated an excessive use of holiday, bereavement, and wellness leave including what we consider to be unreasonable and unnecessary employee days off, including 14 holidays, 3 wellness days, and 24 hours of bereavement leave in addition to regular annual and sick leave.

Insufficient Payroll Authorizations

We also identified additional deficiencies related to the authorization of employee payroll transactions, resulting from:

- missing employee and supervisory signatures and dates listed on employee timesheets and leave slips, including 458 transactions that were missing this detail and are what we consider to be not properly authorized, which includes 76 times where leave slips were not properly authorized¹¹;
- payroll transactions for the Executive Director with no authorization by an appropriate official, such as a member of the Board of Directors; and
- timesheets that were signed and dated at the start of the pay period, or signed and dated months after the fact.

Employee Fringe Benefits

According to Wiconi policy, in order to be eligible to receive fringe benefits, employees must work at least 35 hours per week. We identified 21 instances where 3 separate employees worked less than 35 hours per week, yet the employee still received fringe benefits.

Further, when selecting our payroll sample, we identified additional lump sum fringe benefit transactions listed in the same fringe category as the individual employee fringe benefits allocated to each award. We reviewed 42 lump sum fringe benefit transactions and found payments for dependent life insurance and supplemental insurance benefits for employees. We determined that both of these fringe categories are unallowable because they are not listed in the approved award budgets. To further compound this issue, we found that these benefits were billed twice to the award, once through the employee's individual allocated fringe benefit, and once through the lump sum payments we sampled. Consequently, we question \$34,690 for these payments as unallowable in Table 7.

Summary of Personnel Costs Testing

Overall, our payroll testing identified deficiencies with 1,056 of the 1,660 payroll transactions we reviewed, or 64 percent of our sample. This resulted in \$258,409 in gross questioned costs, of which \$150,457 is associated with OVC awards, and \$107,952 is associated with OVW awards. A summary of the gross questioned payroll costs can be found in Table 7 on the following page.

¹¹ The 458 transactions that were not properly authorized includes the 131 transactions with missing leave authorizations, which are identified under the *Deficiencies in Employee Leave* section above.

Table 7

Gross Personnel Questioned Costs Identified Through Testing

Questioned Cost Category	Questioned Cost Description	OVC Total	OVW Total	Total Both Agencies
Unallowable				
Unbudgeted Costs	Salary and fringe costs for employees not listed in approved award budget.	\$18,754	\$11,205	\$29,959
Erroneously Charged Costs	Salary and fringe costs improperly or incorrectly allocated to the award.	\$38,084	\$30,619	\$68,703
Additional Erroneously Charged Fringe Costs	Lump sum fringe costs that are not allowed in the award budget and are double billed to the award.	\$7,523	\$27,168	\$34,690
Unsupported				
Unsupported Costs	Salary and fringe costs with missing or invalid supporting documentation.	\$86,096	\$38,961	\$125,056
Total:		\$150,457	\$107,952	\$258,409

Source: Wiconi

Reliability of Payroll Records

During our review of 1,660 salary and fringe benefit transactions, we identified significant deficiencies related to the reliability of the payroll records. First, we found that Wiconi officials made alterations to 53 percent of the payroll records provided, including adjusting the amount of hours spent on each project, altering dates, and adjusting annual and sick leave balances. While individual alterations are not necessarily indicative of erroneous payroll charges, the large volume of these alterations raises concerns over the reliability of payroll records. We also found instances where employees provided time and effort reports that only listed that the employee worked a full-time schedule, but did not provide any detail on what days were worked, or what project was being worked on, as required by the DOJ Grants Financial Guide.

Next, we conducted site work at Wiconi 3 separate weeks and observed a general lack of accountability for employee time and whereabouts. According to Wiconi’s financial policies, a regular work week is 40 hours. We observed that employees did not work a regular and consistent schedule. In fact, for 207 out of 364 of the timesheets we reviewed employees worked less than a 40-hour work week.¹² While responding to victims may require irregular work schedules, employees would often leave the shelter unannounced and return at various points throughout the day, without justification. Additionally, supervisors at Wiconi were unable to identify the schedules of these employees or provide explanations for employee absences. As a result, our questions regarding award programs were

¹² The 1,660 salary and fringe benefit transactions we reviewed were supported with 364 timesheets for all employees paid under the 12 awards. Additionally, of the transactions selected for review, 47 timesheets were not provided by Wiconi officials. For the 364 timesheets we reviewed, time was tracked across multiple awards to support multiple transactions.

often unaddressed due to the lack of availability of key Wiconi personnel, and further contributes to our overall reliability concerns.

Overall, the deficiencies related to the reliability of the payroll records under our review, in conjunction with the significant payroll findings previously discussed demonstrates that the system used to charge personnel costs to the awards does not provide reasonable assurance that the charges are accurate, allowable, and properly allocated. Therefore, we questioned all of the payroll within the scope of our audit as unsupported. Table 8 provides a summary of the total number of personnel transactions and the total costs associated with personnel transactions at Wiconi.

Table 8
Total Net Questioned Personnel Costs

Personnel Cost	OVC Payroll Costs		OVW Payroll Costs		Total:	
	<i>n</i>	\$	<i>n</i>	\$	<i>N</i>	\$
Salary or Wage Costs	846	\$538,605	1,105	\$971,080	1,951	\$1,509,684
Fringe Benefit Costs	1,818	\$141,602	2,356	\$243,325	4,174	\$384,927
Total:	2,664	\$680,207	3,461	\$1,214,404	6,125	\$1,894,611

Source: Wiconi

As a result, we recommend that both OJP and OVW remedy the payroll costs identified in Table 7 and Table 8. Specifically, we recommend that OJP remedy:

- \$18,754 in unallowable personnel and fringe benefit costs associated with employees not listed in the approved award budget;
- \$38,084 in unallowable personnel and fringe benefit costs that were erroneously allocated to the award;
- \$7,523 in additional unallowable fringe benefit costs resulting from expenses not allowed by federal award conditions and that were double billed to the award ledgers;
- \$766,303 in unsupported personnel and fringe benefit costs resulting from:
 - a. \$680,207 in unreliable payroll records;
 - b. \$86,096 in personnel and fringe benefit costs with missing or invalid supporting documentation.

We also recommend that OVW remedy:

- \$11,205 in unallowable personnel and fringe benefit costs associated with employees not listed in the approved award budget;
- \$30,619 in unallowable personnel and fringe benefit costs that were erroneously allocated to the award;

- \$27,189 in additional unallowable fringe benefit costs resulting from expenses not allowed by federal award conditions and that were double billed to the award ledgers;
- \$1,253,365 in unsupported personnel and fringe benefit costs resulting from:
 - a. \$1,214,404 in unreliable payroll records;
 - b. \$38,961 in personnel and fringe benefit costs with missing or invalid supporting documentation.

Due to the numerous internal control weaknesses related to adherence to payroll procedures, accountability of employee time, and abuse of leave, we also recommend that both OJP and OVW ensure that Wiconi complies with all award terms and conditions related to these areas. Specifically, we recommend that OJP and OVW ensure that:

- Wiconi's payroll expenditures are supported by a system of internal controls that provide reasonable assurance that all payroll charges are accurate, reliable, allowable, and properly allocated. This system should ensure that any alterations to payroll records are properly authorized and reflect the actual time worked;
- Wiconi enforces its existing policy and award terms and conditions related to employee work schedules and benefits, which includes ensuring that: (1) employees are held accountable to approved work schedules; (2) any hours worked in excess of a regular 40 hour work week is authorized by the appropriate officials; (3) all regularly scheduled holidays are recognized either on the actual holiday, or one day before or after the holiday if the employee is scheduled to work, which is consistent with existing Wiconi policy; (4) incentive awards are given only to those that are eligible; (5) employees who receive fringe benefits are working at least 35 hours per week, as mandated by existing policy; and (6) the proper official authorizes timesheets and requests for annual and sick leave;
- Wiconi implements policies and procedures to ensure that the accurate amount of annual and sick leave is allocated to each employee, which includes: (1) ensuring that employees only accrue leave based on their regularly scheduled hours; (2) ensuring that all schedule leave is deducted from each respective employee's balance of leave hours; and (3) ensuring that any administrative leave taken due to an emergency or inclement weather is approved by the appropriate official;
- Wiconi revise its current policy related to holiday, bereavement, and wellness leave to only include leave that is reasonable and justified; and
- Wiconi implements policies and procedures that contain an adequate segregation of duties for payroll expenses, which ensure that the official that prepares a time and effort report is different than the official that authorizes the time and effort report.

Consultant Costs

We determined that Wiconi secured dozens of individual consultants to conduct various types of work, including a bookkeeper, a contracted auditor, technical assistance providers, treatment consultants, cultural consultants, and training providers. An overview of the types of consultants used by the organization is located in Appendix 6. To assess consultant costs, we reviewed 128 contractor or consultant transactions, totaling \$173,077.

Procurement Procedures

The Procurement Standards under the Uniform Guidance states that recipients must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. The recipient must maintain records sufficient to detail the history of procurement, which should include, but is not limited to: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. All procurement transactions must be conducted in a manner providing full and open competition. The recipient must have written procedures for procurement, and sole source procurement should be used only when use of competitive solicitation procedures like sealed bids or competitive proposals are not applicable to the requirement or is impracticable. The DOJ Grants Financial Guide also states that records that detail the history of all procurements must be maintained and should include a contractor selection and/or rejection process.

Through our assessment of Wiconi's procedures for soliciting work, receiving bids, and awarding contracts, we determined that Wiconi does not have the policy and procedures necessary to adequately administer contracts to consultants or contractors. During our review of consultant expenditures, we did not identify any documentation related to the history of procurement for any of the consultants reviewed. Furthermore, it appears that Wiconi used sole source procurement for all of its consultants, meaning that competition was not utilized when awarding contracts. According to a Wiconi official, the Executive Director opposes a formal bidding process for contracts because the Executive Director prefers to use vendors and individuals that are already known and trusted when contracting for services, such as friends and family. Therefore, we recommend that both OJP and OVV ensure that Wiconi implements policies and procedures to ensure that Wiconi adequately procures contract agreements in compliance with the procurement standards set forth in the Uniform Guidance, which should include a formal process for: (1) soliciting contracts that allows for open, free, and fair competition; (2) properly selecting and authorizing consultants and contractors; (3) verifying consultant and contractor performance; and (4) maintaining sufficient documentation to detail the history of the procurement.

Conflicts of Interest

The DOJ Grants Financial Guide states that recipients are responsible for promptly notifying in writing the awarding agency and the federal cognizant audit

agency of any proposed or actual irregularities, which includes conflicts of interest. Non-federal entities must maintain written standards of conduct covering conflicts of interest and employee participation in selection, award, and administration of contracts, including a documented process to check for organizational conflict of interest with potential contractors. Recipient decisions related to federal funds must be free of undisclosed personal or organizational conflicts of interest, both in fact and in appearance. Additionally, the Procurement Standards under the Uniform Guidance states that no employee must participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such a conflict would arise when the employee, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

Finally, the Wiconi Employee Policy Handbook states that relatives and family members of Directors, employees of the agency, or consultants to Wiconi will not receive preferential consideration for employment or favoritism on the job in any of the programs. Directors, supervisors, staff members, and paid consultants may not participate in decisions concerning the hiring of relatives or family members by Wiconi, nor shall relatives of the prospective employee participate in the hiring/interview committee. Every effort shall be made to ensure that there will be no supervision of relatives by other family members.

We identified real and apparent conflicts of interest associated with Wiconi employees and consultants or contractors. As we previously explained, Wiconi used sole source procurement for all of its consultants. We determined that many of these consultants have the same last names as employees of the organization. Through employee testimony, we determined that many of these consultants are family members to the Executive Director and various key employees. Similarly, officials stated that one of the members on Wiconi's Board of Directors is the aunt of one of the key employees at Wiconi, who is also the daughter of the Executive Director. It is apparent, based on the information provided by Wiconi officials, as well as the documentation provided to support work completed, that Wiconi has conducted business with individuals that are family members of executives at Wiconi. For example, Wiconi officials stated during interviews that one of the consultants frequently used at the organization is the husband of the Executive Director. However, officials stated that the Executive Director ensures that a separate organization run by a different family member receives any payments in order to prevent an appearance of a conflict of interest in the accounting records.

Overall, we did not receive evidence that Wiconi notified the granting agencies of the potential conflicts of interest arising at the organization. Because Wiconi did not provide any documentation related to the history of procurement, we have no assurance that family members employed at Wiconi did not participate in the hiring process of employees and consultants and that decisions related to federal funding were free of undisclosed conflicts of interest. As a result, we recommend that OJP and OVW ensure that Wiconi promptly discloses all real and apparent conflicts of interest in writing to the awarding agency under each of its

federal awards, as well as the cognizant Federal audit agency, as mandated by the DOJ Grants Financial Guide.

Additionally, we recommend that OJP and OVW ensure that Wiconi implements policies and procedures to ensure that Wiconi adequately addresses conflicts of interest, both real and apparent, as they arise, which includes: (1) implementing a documented process to check for organizational conflicts of interest with potential contractors; (2) promptly reporting all potential conflicts of interest to the awarding agency and cognizant Federal audit agency, and/or proposed or actual actions regarding each irregularity; and (3) enhancing existing Wiconi policy to ensure that written standards of conduct covering conflicts of interest and employee participation in selection, award, and administration of consultants and contracts are adequately followed.

Segregation of Duties

We identified deficiencies in Wiconi's policy regarding the segregation of duties related to consultant oversight and monitoring. The DOJ Grants Financial Guide states that a recipient is responsible for establishing and maintaining an adequate system of internal controls, which includes maintaining proper segregation of duties that ensures no one person is able to execute the entire procedure for financial transactions alone. Based on our review of Wiconi's current policies and procedures, we concluded that Wiconi does not have a contracting process that encompasses an adequate segregation of duties requiring employees to identify a needed project, create a project solicitation, receive bids, review bids, award the contract, review the contractor's work, and pay the contractor.

We found that the majority of the consultants and contractors were procured by Wiconi's Executive Director. Additionally, we identified three instances where Wiconi's Executive Director both requested and authorized a payment to a consultant. Furthermore, we determined that there are no controls preventing a Wiconi employee from initiating a payment to a consultant without the proper authorization. In our judgment, an official that completes a reimbursement or transaction request should be a different official than the authorizer. Overall, we recommend that both OJP and OVW ensure that Wiconi implements policies and procedures that contain an adequate segregation of duties for expenses incurred, which ensures that the officials that prepares a transaction request is different than the official that authorizes the payment. Specific to soliciting contract agreements, these policies and procedures should ensure that no one person is responsible for executing the entire procurement transaction alone, which includes identifying a needed project, creating a project solicitation, receiving and reviewing bids, awarding the contract, reviewing the contractor's work, and paying the contractor.

Transaction Testing Results

We reviewed 128 contractor or consultant transactions in order to: (1) trace costs to invoices or other available support; (2) verify that charges were computed correctly, properly authorized, accurately recorded, and properly allocated to each award; and (3) verify that rates, services, and total consultant costs are in

accordance with those allowed in the approved budget for each award under our review.

The DOJ Grants Financial Guide states that time and effort reports are required for consultants. Recipients should ensure that the rate of pay is reasonable and justifiable, and that the work product is well-defined and documented. Recipients must develop and incorporate clear and accurate descriptions for technical requirements, specifications, statements of work, or other required documents used in procurement transactions. The DOJ Grants Financial Guide also states that compensation for individual consultant services is to be reasonable and consistent with that paid for similar services in the marketplace, with a maximum rate of \$650 per day or \$81.25 per hour. Finally, noncompetitive contracts to consultants that are on retainer contracts are restrictive and should not take place. Additionally, the Uniform Guidance states that in order for retainer fees to be allowable, these costs must be supported by evidence of bona fide services available or rendered. This criteria also states that when determining the allowability of costs, the adequacy of the contractual agreement for the service should be considered.

Through our testing of the 128 consultant transactions, we identified significant unsupported costs where officials were unable to provide: (1) an adequate time and effort report or invoice that outlines the date and timing of the work completed; (2) an adequate contract that outlines the requirements of the contractor, the method and timing of payment, and is signed by both the consultant and a Wiconi official; and/or (3) a specific and verifiable work product that is well-defined and documented. We also identified significant unallowable consultant costs resulting from: (1) unbudgeted expenses; (2) unreasonable expenses; (3) retainer costs; (4) erroneously charged consulting, mileage, and/or per diem costs; and (5) consulting expenses that were charged to the wrong award. We also identified 17 additional consultant transactions in the award accounting records that were not initially a part of our sample that we determined were also unbudgeted or unsupported. As a result of these findings, we identified \$312,375 in gross questioned costs, of which \$269,088 is associated with OVC awards, and \$43,287 is associated with OVW awards. Table 9 on the following page provides a summary of the gross consultant questioned costs.

Table 9
Gross Consultant Questioned Costs

Questioned Cost Category	Questioned Cost Description	OVC Total		OVW Total		Total Both Agencies	
		<i>n</i>	\$	<i>n</i>	\$	<i>N</i>	\$
Unallowable							
Unbudgeted Costs	Consultant costs not listed in the approved award budget.	24	\$15,793	11	\$10,336	35	\$26,129
Unreasonable Costs	Excessive or avoidable costs that do not contribute to the overall success of the award program.	44	\$40,168	0	\$0	44	\$40,168
Retainer Costs	Payments made to a consultant prior to when the work was rendered.	33	\$41,086	5	\$7,129	38	\$48,215
Erroneously Charged Costs	Consultant costs that are improperly or incorrectly charged to the award.	28	\$10,173	2	\$27	30	\$10,200
Incorrect Award Costs	Costs charged to the wrong award.	3	\$1,444	1	\$700	4	\$2,144
Unsupported							
Unsupported Costs	Consultant costs with missing or invalid supporting documentation.	74	\$133,592	25	\$24,796	99	\$158,388
Additional Questioned Costs Not Initially Sampled							
Unbudgeted Costs	Costs not originally sampled, but identified in the accounting records as not listed in the approved budget.	11	\$1,872	4	\$300	15	\$2,172
Unsupported Costs	Costs related to the child abuse investigator paid under OVC Award Number 2013-VI-GX-K008, where officials could not provide support.	2	\$24,960	0	\$0	2	\$24,960
Total:			\$269,088		\$43,287		\$312,375

Note: This table includes transactions that were questioned for more than one reason.

Source: Wiconi

Specific to the payment of retainer fees, we identified 38 instances, totaling \$48,215, where consultants received payment before any services were actually performed. Based on the criteria cited above, it is our assessment that a consultant should submit an invoice or time and effort that outlines the work completed and the amount to be paid, which corresponds to the statement of work detailed in the contract, after services have been rendered. This ensures that consultants perform the required services and that payments are valid, accurate, and supported. As shown in Table 9, we identified 101 consultant transactions, totaling \$183,348 that were not properly supported. Furthermore, a Wiconi official stated that there have been instances where consultants, contracted to complete presentations or outreach at Wiconi, would arrive to complete the duties outlined in the contract, but no victims or community members would show up for the presentation. The official stated that many times the check written to the consultant was prepared before the consultant completed the duties outlined in the contract, and the consultant would get paid for the entire event even if no victims or community members were present. As such, we determined that paying a consultant prior to completing the statement of work detailed in the contract creates an unnecessary risk to Wiconi, and, as stated in the DOJ Grants Financial Guide, should not take place. Therefore, the \$48,215 paid in retainer fees is unallowable.

As a result of these findings, we recommend that both OJP and OVW remedy the questioned consultant costs identified during the course of our audit, which includes the additional costs not initially sampled. We recommend that OJP remedy:

- \$17,665 in unallowable consultant costs that were not listed in the approved award budget.
- \$40,168 in unallowable consultant costs that are considered unreasonable or excessive.
- \$41,086 in unallowable consulting costs that were paid prior to when the consulting services were rendered (i.e. retainer fees).
- \$10,173 in unallowable consulting costs that were erroneously charged to the award.
- \$1,444 in unallowable consulting costs that were charged to the wrong award.
- \$158,552 in unsupported consulting costs.

We also recommend that OVW remedy:

- \$10,636 in unallowable consulting costs that were not listed in the approved award budget.
- \$7,129 in unallowable consulting costs that were paid prior to when the consulting services were rendered (i.e., retainer fees).
- \$727 in unallowable consulting costs that were erroneously charged to the award resulting from:
 - a. \$27 in costs that were over-charged to the award.
 - b. \$700 in costs that were charged to the wrong award.
- \$24,796 in unsupported consulting costs.

Administration of Contract Agreements

As previously explained, the DOJ Grants Financial Guide states that recipients must develop and incorporate clear and accurate descriptions for technical requirements, specifications, statements of work, or other required documents used in procurement transactions. We identified 11 contract agreements that were not secured before the services were rendered. In other words, the consultants completed or partially completed work prior to when the terms and conditions of the contract agreement were signed by both Wiconi officials and the consultant. We did not consider these contracts adequate support during our testing in the *Transaction Testing Results* section above. Also, according to Wiconi officials, vendor agreements were quickly created by Wiconi officials and signed by vendors as a result of our requests, meaning some vendors were paid without ever having a signed contract in place.

Similarly, we identified one instance where Wiconi officials provided two different contracts for the exact same purpose. The contracts provided were dated one day apart, and identified the exact same work to be completed. However, the second contract provided listed a different consultant address than the initial contract. Because it is highly unlikely that a consultant would change addresses overnight, we determined that it is possible that one of the contracts was back-dated, and was not completed until the services had already been rendered. This further demonstrates our concerns regarding the reliability of the documentation provided to support consultant expenses.

Finally, we identified three consultants that were paid in excess of what was outlined in each respective contract agreement. Each contract reviewed states that the terms of the contract agreement shall not be waived, altered, modified, supplemented, or amended in any manner except by written instrument signed by both parties. However, no contract modification or amendment was provided to support these changes. Therefore, we determined that Wiconi violated the terms and conditions agreed upon by both parties and paid each consultant more than what was stated in the contract.

Based on these findings, we recommend that OJP and OVW ensure that Wiconi implements policies and procedures to ensure that Wiconi adequately administers contract agreements, which includes ensuring that: (1) contracts are properly signed by both parties who agree on the terms and conditions of the contract prior to when any services are rendered; and (2) ensuring that both parties agree to any contract modifications or amendments, and that those changes are adequately documented.

Equipment Costs

According to the DOJ Grants Financial Guide, equipment means tangible property with a useful life of more than 1 year and a per-unit acquisition cost of \$5,000 or greater. For items less than \$5,000, each grantee may use its own capitalization policy for classification. We determined that Wiconi considers items such as computers, projectors, appliances, and vehicles as accountable property, as these are the items tracked on the organization's inventory log. As shown in Table 10, from the accounting records, we judgmentally selected and reviewed 10 pieces of accountable property and equipment, totaling \$68,749 associated with 5 awards under our review. We requested that Wiconi provide all records associated with each piece of equipment, including procurement records, property records, invoices or receipts, and authorizations. We also requested to physically verify each piece of equipment.

Table 10
Overview of Sampled Equipment

Award Number	Equipment	Cost	Shown in Property Log?	Shown as Federally Funded?	Property Physically Verified?	Used as Intended Under Award?
2012-TW-AX-0016	Computer	\$1,423	No	No	Yes	No
	Computer	\$2,000	No	No	Yes	No
	Vehicle	\$24,790	No	No	Yes	No
	Security System	\$6,620	No	No	No	Unknown
2013-VR-GX-K025	Computer	\$877	Yes	No	Yes	No
2013-VI-GX-K008	Vehicle	\$29,728	Yes	No	Yes	No
	Computer	\$920	Yes	No	No	No
2013-CY-AX-K020	Projector	\$600	Yes	No	Yes	No
	Computer	\$1,079	No	No	Yes	No
2014-KT-AX-0007	Computer	\$712	No	No	Yes	Yes
Total:		\$68,749				

Source: Wiconi

Procurement Procedures

Wiconi’s financial policies state that if equipment is over \$5,000, the Executive Director will obtain at least three quotations before purchasing the item. Additionally, the DOJ Grants Financial Guide states that all procurement transactions should be conducted in open, free, and fair competition. It also states that sole source procurement should only be used when competitive solicitation procedures are not applicable or is impracticable.

As shown in Table 10, we found that three of the items we reviewed were over the \$5,000 threshold, therefore requiring quotes. For the two vehicles, totaling \$24,790 and \$29,728, officials stated that they did not acquire quotes for the vehicle purchases because they went to the same vendor that was used for prior purchases. Additionally, for the purchase of the security system, totaling \$6,620, Wiconi officials did not provide documentation to indicate that more than one quote was received. Wiconi did not provide any documentation to indicate that a competitive solicitation for these items was not applicable or impracticable. In our judgment, Wiconi should have, at a minimum, received quotes from various vendors to receive the best possible price on the vehicles and the security system purchased under these awards. As a result, we recommend that OJP and OVW ensure that Wiconi implements policies and procedures to ensure that procurement of accountable equipment or property is conducted in open, free, and fair competition, which includes ensuring that items purchased over \$5,000 are competitively bid with three quotations, as mandated by Wiconi’s existing financial policies. This policy should ensure that the procurement process for equipment is adequately documented.

Property Records

The DOJ Grants Financial Guide states that all recipients must use procedures for managing equipment that require property records, which include: (1) a description of the property; (2) a serial number or other identification number; (3) the source of the property, including the federal identification number; (4) the acquisition date; (5) the cost of the property; (6) the location of the property; and (7) the use and condition of the property. This criteria also states that a recipient must take a physical inventory of the property and reconcile the results with the property records once every two years.

As previously explained, in response to our request, an inventory log was quickly created to record property items, which again caused us to question the reliability of information provided. Nevertheless, using this inventory log, we determined that 6 of the 10 items we reviewed were not listed in the property log provided by Wiconi officials as shown in Table 10. Additionally, we determined that none of the items we reviewed were identified as federally funded, either on the property log or on each piece of equipment we physically verified. Finally, Wiconi did not provide any evidence to support that a physical inventory was previously conducted.

During our review of the inventory log, we identified additional pieces of equipment that may relate to the awards under our review, however, these items were not easily identifiable as equipment in the accounting records. As detailed in the *Award Financial Management* section, we identified significant discrepancies related to the classification of expenses in Wiconi's accounting system. Our sample included the items classified as 'Equipment' in the award accounting records, but additional pieces of equipment classified under a different accounting code were not initially sampled as the items may not relate to equipment. For example, a computer could be purchased using a credit card, which may be classified as a credit card purchase in the accounting records. Ultimately this computer would not be identifiable as equipment based on the accounting records. In this scenario, additional purchases of equipment under each award may have occurred that may not be logged in Wiconi's property records.

As a result, we asked Wiconi officials to physically verify some of the other equipment items listed on their property log that may relate to the awards we are reviewing. We found that two computers being used under OVC Award Number 2015-VT-BX-K059 did not have the correct serial number, and that the serial numbers under the two laptops on the inventory log had been transposed. Officials stated that any discrepancies on the inventory log may be a result of the fact that officials quickly recorded some of the property information in response to our request. Overall, we question the reliability of the inventory log maintained by Wiconi.

In our judgment, Wiconi officials are not adequately documenting their property items on their inventory logs, which further increases the risk that an item is misplaced, misclassified, or misused under the award. As a result, we recommend that OJP and OVW ensure that Wiconi implements policies and

procedures that require Wiconi to properly maintain property records, which should include an inventory log containing: (1) a description of the property; (2) a serial number or other identification number; (3) the source of the property; (4) the acquisition date; (5) the cost of the property; (6) the location of the property; and (7) the use and condition of the property. This policy should ensure that a physical inventory is completed once every two years, which further minimizes the risk of transposing equipment information when tracking items on an inventory log.

Property Verification

As stated in the previous section, the DOJ Grants Financial Guide states that recipients must maintain property records that include the source, use, and condition of the property. We were unable to physically verify two of the sampled equipment items because Wiconi did not present these items as accountable property on their inventory log while we were on site. Furthermore, we determine in Table 10 that eight of the equipment items we reviewed were not being used as stated in the award documentation, either because the items were being used under a different project, or because the items were not being used at all. We determined that the security system sampled was purchased for the Mita shelter under Award Number 2012-TW-AX-0016, which is no longer in operation. We were not provided with evidence as to the current use of that security system. Consequently, we did not physically verify this piece of equipment.

Additionally, we did not observe the use of the vehicles purchased under these awards while on site. In fact, a Wiconi official stated that, in many cases, employees will use their personal vehicles for project related transportation instead of using the van. The official also stated that the van has been used for personal use, such as driving children to school. In our judgment, there is limited assurance that the equipment purchased with federal funds are properly used.

Transaction Testing Results

Of the 10 equipment transactions we reviewed, we determined that 6 were not adequately supported, totaling \$35,753. We also identified two items that were not listed in the approved award budget and that we consider unallowable, totaling \$7,220. We summarize these questioned costs in Table 11 on the following page.

Table 11
Gross Equipment Questioned Costs

Award Number	Equipment	Unsupported	Unallowable	Reason Questioned
OVW 2012-TW-AX-0016	Computer	\$1,423	N/A	No support provided.
	Computer	\$2,000	N/A	No support provided.
	Vehicle	\$24,790	N/A	No invoice provided.
	Security System	\$6,620	\$6,620	(1) No invoice provided; (2) Item not identified in award budget.
OVC 2013-VI-GX-K008	Computer	\$920	N/A	Item for contractor that did not demonstrate progress towards award objectives.
OVW 2013-CY-AX-K020	Projector	N/A	\$600	Item not identified in award budget.
Total Gross QC:		\$35,753	\$7,220	

Source: Wiconi

As a result, we recommend that OJP remedy \$920 in unsupported equipment costs resulting from purchases that do not contribute towards the completion of award goals and objectives. We also recommend that OVW remedy \$7,220 in unallowable equipment costs that were not listed in the approved award budget, as well as \$34,833 in unsupported equipment costs.

Other Direct Costs

We judgmentally sampled 462 other direct transactions not previously reviewed, totaling \$345,580, to determine: (1) whether Wiconi could adequately support the sampled costs; (2) whether the costs were approved and allowable under the award application and guidelines; and (3) whether the costs were reasonable. We identified significant findings related to the award expenditures we reviewed.

Segregation of Duties

As stated in the *Consultant Costs* section of this report, the DOJ Grants Financial Guide states that a recipient is responsible for establishing and maintaining an adequate system of internal controls, which includes maintaining proper segregation of duties. This criteria states that segregation of duties is defined as a key internal control that establishes procedures for certain types of financial transactions where no one person is able to execute the entire procedure alone.

We identified five disbursement requests where Wiconi's Executive Director both completed and authorized the request for payment to a vendor. Similarly, we identified three instances where the Executive Director both completed and authorized her own request for mileage expense reimbursement. This includes instances where the disbursement requests were not reviewed by a member of the Board of Directors, meaning that the only individual to review the payment or

reimbursement was the Executive Director. Furthermore, we determined that there are no controls preventing a Wiconi employee from initiating a payment or reimbursement without the proper authorization. In our judgment, an official that completes a reimbursement or transaction request should be a different official than the authorizer. Therefore, we recommend that both OJP and OVW ensure that Wiconi implements policies and procedures that contain an adequate segregation of duties for expenses incurred, which ensures that the official that prepares a transaction request is different than the official that authorizes the payment.

Treatment Costs

As stated in the *Program Goals and Objectives* section of this report, Wiconi officials modified the first objective under OVC Award Number 2013-VR-GX-K025 to offer direct substance abuse treatment to victims. Officials were approved to use \$86,100 in award funds to conduct local cycles of treatment and aftercare. Costs for the treatment included consultants, lodging, conference room rent, food, child care, materials, travel for consultants, and local travel for clients. We found that officials were unable to provide documentation to support that any individual attended the treatment, or that attendees were victims of domestic violence or sexual assault and had ever received services through Wiconi. Furthermore, officials stated that they were unable to provide treatment options as planned, and that they were not successful in long-term rehabilitation.

The DOJ Grants Financial Guide broadly defines conferences to include meetings, retreats, seminars, symposia, events, and group training activity. Based on this definition, Wiconi's cycles of treatment and aftercare are considered to be conferences and must be managed accordingly. Specifically, these activities must receive written prior approval in addition to approval in the award budget. An approval request must be submitted a minimum of 90 days in advance of the start date. Additionally, conferences that cost more than \$20,000 must report actual conference expenses within 45 days after the last day of the event. This criteria also states that minimizing costs must be a critical consideration when determining the city and facility to hold a conference, which includes conducting pricing comparisons for multiple facilities in multiple locations. Meals and refreshments at conferences are generally unallowable unless the recipient obtains written prior approval from OJP. If meals are approved, all conference attendees must ensure that any meal is deducted from the claimed Meals and Incidentals Expenses.

Wiconi's accounting system classified expenses related to these treatment cycles as "Treatment". We sampled all treatment expenditures, which totaled \$63,774. However, Wiconi did not provide evidence of written approval by OJP at least 90 days before conducting the treatment activities. Additionally, because we identified \$63,774 in treatment expenses in Wiconi's accounting records, Wiconi was mandated by the DOJ Grants Financial Guide to report the actual expenses associated with the conference 45 days after the last day of the event. Again, Wiconi did not provide evidence that this occurred. Finally, Wiconi did not provide evidence that meals and refreshments at the treatment were approved by OJP.

Next, we found through our testing that Wiconi spent \$12,450 to rent a conference space for the event. However, we were not provided any evidence that Wiconi conducted a price comparison of multiple facilities in multiple locations for this space, and were not provided evidence that Wiconi made any attempt to minimize costs when selecting the location for the treatment. In fact, we determined that the payments made for the conference room were payments on a building that Wiconi owns, the Pathfinder Center in Chamberlain, South Dakota, used to help victims of human trafficking. The biennial SAR for fiscal year 2014 and 2015 states that Wiconi secured a privatized loan for \$142,521 from the individual who sold Wiconi the building with the conference room. Officials confirmed that Wiconi purchased the Pathfinder Center in Chamberlain and that the payments for the conference space appeared to be excess payments on the loan principal for the Pathfinder Center. The documentation for the treatment expenditures also shows that the treatment was held at this facility. The DOJ Grants Financial Guide states that rental costs may not be charged to the award if the recipient owns the building, or has financial interest in the property.

As a result of these findings, we determined that Wiconi did not successfully administer the treatment outlined above. We recommend that OJP ensure that Wiconi implements policies and procedures to ensure that any event broadly defined as a conference is properly administered based on the guidance set forth in the DOJ Grants Financial Guide. We also question the costs associated with the treatment in the following section.

Transaction Testing Results

Based on our review of 462 other direct transactions, we identified significant unsupported costs where officials were unable to adequately support costs with proper invoices or receipts, as well as significant unallowable costs resulting from: (1) unbudgeted costs; (2) unreasonable costs; (3) costs charged to the incorrect award; (4) erroneously charged costs; and (5) costs that are double billed to the award. We also identified 178 additional other direct transactions in the award accounting records that were not initially a part of our sample that we determined were also unbudgeted or unreasonable. As a result of these findings, we identified \$296,291 gross questioned costs, of which \$148,235 is associated with the OVC awards, and \$148,056 is associated with the OVW awards. Table 12 provides a summary of the gross questioned costs identified through our audit testing of other direct costs.

Table 12
Gross Other Direct Questioned Costs

Questioned Cost Category	Questioned Cost Description	OVC Total		OVW Total		Total	
		n	\$	n	\$	N	\$
Unallowable							
Unbudgeted Costs	Costs not listed in the approved award budget.	55	\$32,563	61	\$20,399	116	\$52,962
Unreasonable Costs	Excessive or avoidable costs that do not contribute to the overall success of the program.	27	\$28,302	15	\$4,555	42	\$32,857
Incorrect Award Costs	Costs charged to the wrong award.	11	\$7,546	8	\$6,376	18	\$13,922
Erroneously Charged Costs	Costs that are improperly or incorrectly charged to the award.	24	\$15,839	17	\$10,640	41	\$26,478
Double Charged Costs	Costs that are charged or billed more than once to the award.	2	\$4,435	3	\$1,753	5	\$6,189
Unsupported							
Unsupported Costs	Costs with missing or invalid supporting documentation.	85	\$55,514	121	\$99,645	206	\$155,159
Additional Questioned Costs							
Unbudgeted Costs	Costs not originally sampled, but identified in the accounting records as not listed in the approved award budget.	15	\$3,731	136	\$4,575	151	\$8,306
Unreasonable Costs	Costs not originally sampled, but identified in the accounting records as excessive or avoidable.	1	\$305	2	\$113	3	\$418
Total:		220	\$148,235	363	\$148,056	583	\$296,291

Note: This table includes transactions that were questioned for more than one reason.

Source: Wiconi

As a result of our testing, we recommend that both OJP and OVW remedy the questioned other direct costs identified during the course of our audit, which includes the additional costs not initially sampled. We recommend that OJP remedy:

- \$36,294 in unallowable other direct costs that were not listed in the approved award budget;
- \$28,607 in unallowable other direct costs that are considered unreasonable or excessive;
- \$7,546 in unallowable other direct costs that were charged to the wrong award;
- \$15,839 in unallowable other direct costs that were erroneously charged to the award;
- \$4,435 in unallowable other direct costs that were double charged to the award; and

- \$55,514 in unsupported other direct costs.

We also recommend that OVW remedy:

- \$24,974 in unallowable other direct costs that were not listed in the approved award budget;
- \$4,668 in unallowable other direct costs that are considered unreasonable or excessive;
- \$6,376 in unallowable other direct costs that were charged to the wrong award;
- \$10,640 in unallowable other direct costs that were erroneously charged to the award;
- \$1,753 in unallowable other direct costs that were double charged to the award; and
- \$99,645 in unsupported other direct costs.

Credit Account Expenditures

As stated throughout this report, the DOJ Grants Financial Guide states the recipient should keep detailed accounting records and documentation to track expenses. This criteria also states that the routine use of credit cards for award costs, must be carefully controlled and require strong oversight. We found that the majority of the food, supplies, and fuel purchased at Wiconi were made using the organization's credit accounts. The majority of these purchases were made through either a specific credit card account or through a credit account with a local grocery store. At the time of our audit, three employees were authorized users of the credit card and any employee at Wiconi could make a purchase using the local store credit account. In addition to the questioned costs identified above, we identified additional discrepancies related to purchases made on credit accounts at Wiconi.

To make a purchase on a credit account, we found that Wiconi employees do not submit a purchase order or authorization prior to completing any purchase on a credit account. Instead, we found that employees make a purchase on a credit card, which is reviewed and paid when Wiconi receives the credit card statement, up to a month after the date of purchase. Similarly, for the local store credit account, employees will purchase food or gas and the store mails Wiconi a monthly statement of purchases, along with the receipts associated with each purchase made that month. In our judgment, without an authorization that occurs before the employee initiates a purchase, officials cannot ensure the purchase is allowable, reasonable, and in accordance with award terms and conditions.

In addition to the lack of controls around credit account purchases, we found deficiencies with Wiconi's ability to properly track and allocate expenses after purchases are made using charge accounts. For instance, if an employee purchases \$10,000 in supplies in one statement cycle on the organization's credit card, these expenses potentially apply to multiple awards. Because no authorization has

occurred prior to purchase, financial personnel have no ability to reconcile and allocate these purchases to the various awards. Instead, financial personnel coordinate with the purchaser to determine the allocation, which as explained previously can be up to a month after the original purchase. As such, Wiconi's current policy allows employees to make unapproved purchases, which are then allocated to the various awards by the same employee with no required justification. In our judgment, due to the volume of credit account purchases, number of awards managed by Wiconi, and lack of pre-approvals, there is limited assurance that expenditures made through a credit account are appropriately reconciled and allocated to the proper award or project.

Further exacerbating the difficulty with reconciling credit account expenses, we found multiple lump sum payments to the credit card company and the local store throughout our testing of transactions. The accounting records do not provide sufficient detail to determine which individual purchases make up the total expenditure charged to the award. For example, in one expenditure we reviewed, officials could not adequately support the charge to the specific award because they were unable to reconcile the expenses on the monthly bill to what was charged to the award. Wiconi officials explained that often arbitrary lump sum payments were made to local store to keep the credit account open. As a result, proper reconciliation and allocation is not feasible. To further demonstrate the problem with these lump sum payments, Wiconi officials stated that the Executive Director makes online credit card payments for large arbitrary amounts at various times throughout the month, but has not offered assistance in reconciling the payments and allocating the proper expenses to the appropriate awards. As shown, lump sum payments do not provide sufficient detail in the accounting records or documentation to track expenses in compliance with award requirements.

Due to the lack of controls and oversight related to credit accounts, we identified many examples of waste and abuse by Wiconi officials. For instance, officials identified instances where Wiconi provided extra meals to individuals 6 months after they were serviced at the shelter. Despite not currently receiving services or having involvement with Wiconi, these individuals were provided food boxes. Mass distribution of food boxes was not included in any project budget and does not clearly correlate to assistance to victims of domestic violence or sexual assault, therefore, we determined these distributions to be excessive. Further, officials stated that employees used the credit account at the local store to purchase fuel for purposes unassociated with award activities using the Wiconi charge account. These fuel purchases were then billed to Wiconi and then charged to the awards under our review. In yet another example, we found that Wiconi used the specific credit card to purchase \$12,421 in non-project related essential oils, which consists of essential spa oils, oil kits, and respiratory oils. According to a Wiconi employee, the Executive Director operates a multi-level essential oil business through Wiconi and used at least \$12,421 in award funds to purchase product, as shown in the organization's accounting records. These non-project

related items were subsequently improperly charged to multiple awards over multiple years since FY 2012.¹³

In our judgment, the purchases made using the specific credit card account and the local store credit account are unreliable due to the following areas of risk: (1) employees do not need prior approval to purchase items on the credit accounts; (2) there is limited assurance that purchases made on the credit accounts are properly allocated to the appropriate award; (3) credit account expenses listed in the accounting records do not contain sufficient detail to properly track these expenses; and (4) purchases for purposes unassociated with award activities. Additionally, we identified many examples of waste and abuse by Wiconi officials. While we took these expenses at face value during our audit testing, we consider all of the costs associated with the specific credit card account and the local store credit account charged to the awards under our review unsupported, totaling \$137,131, of which \$82,251 is associated with OVC awards, and \$54,880 is associated with the OVW awards. We recommend that both OJP and OVW remedy these costs. We also recommend that both agencies ensure that:

- Wiconi implements policies and procedures to ensure that all purchases are properly requested, authorized, and documented prior to when the purchase is initiated, including approving purchases involving credit cards, store accounts, and other credit accounts prior to purchase; and
- Wiconi implements policies and procedures to ensure the proper accounting and classification of award funds by establishing a system to adequately record, monitor, and track funds according to project category in order to ensure lump sum payments to credit accounts are broken down by individual expense, receipt, or invoice.

Travel Vouchers and Authorizations

Wiconi's financial policies state that the organization will reimburse employees for all authorized and/or necessary travel expenses that are directly related to the employee's job function and responsibilities, which includes the actual cost of necessary official travel by means of public conveyance, including parking fees while on out-of-state travel. Based on our transaction testing, we found that Wiconi often provides employees cash for travel expenses in advance. In all instances where Wiconi paid employees travel costs in advance, we were not provided any documentation to support actual costs incurred, or any subsequent reimbursements to the program for overpayment.

First, we found two instances where employees were paid in advance for airport parking fees, yet we determined that the employees did not drive to the airport, and therefore could not have incurred any fees for parking. While we do not take issue with the fact that Wiconi provided employees parking reimbursement in advance, we determined that the employees that did not incur parking expenses

¹³ Because of the shortcomings related to Wiconi's financial management system identified above, not all credit expenditures have the detail necessary to determine that these expenses were made up of unallowable costs.

should have reimbursed the program for those fees. Additionally, we were unable to determine the validity of the majority of the parking expenditures as stated on the mileage reimbursement forms, because we were not provided receipts to reconcile this information.

Next, we identified two instances where employees were paid in advance for meals and incidental expenses. In one instance, the trip was cancelled, and the employee had to return the prepaid funds to the organization. In the second instance, Wiconi used a mileage and per diem advance for costs for a training occurring later in the month. While we do not take issue with the fact that Wiconi provided employees with travel costs in advance, we were not provided documentation to reconcile actual travel costs to ensure any overpaid prepaid funds are returned to the award.

In our judgment, Wiconi employees should provide documentation attesting to the accuracy and validity of the expenses incurred during work related travel. Therefore, we recommend that both OJP and OVW ensure that Wiconi implements policies and procedures that require Wiconi employees to submit a certified voucher or reconciliation after travel is complete to attest to the accuracy and validity of expenses incurred during work related travel.

Overdue Penalties

The DOJ Grants Financial Guide states that fines and penalties are considered costs that are unallowable under federal DOJ awards. We identified four transactions where Wiconi incurred penalties on the invoices provided for past due expenses. We also identified instances where Wiconi did not pay the full amount identified as due on the invoice provided, further increasing the risk for overdue penalties. Due to the fact that Wiconi allocates the majority of its expenses to multiple funding sources, we were unable to question the costs associated with overdue penalties charged to the awards under our review.

In our judgment, incurring overdue penalties is a problem at Wiconi. In the *Drawdowns* section of this report, we determined that not all of the award funding had been drawn down by Wiconi. Therefore, because Wiconi has available funding to pay for expenses incurred, there is no reason to incur overdue penalties or to not pay bills in full on time. We recommend that both OJP and OVW ensure that Wiconi implements policies and procedures to ensure that payment for expenses incurred by Wiconi are remitted in a reasonable timeframe in order to minimize the risk of incurring overdue penalties.

Program Donations and Revenue

The DOJ Grants Financial Guide states that an award recipient is obligated to properly track the use of funds and maintain adequate supporting documentation. This criteria states that typical issues involving failure to properly support the use of award funds includes failure to adequately account for, track, or support transactions that include program income and other sources of revenue. To properly account for all awards, recipients should establish and maintain program

accounts that will enable separate identification and accounting for receipt and disposition of all funds, including program income. This income may only be used for allowable program costs and must be spent prior to drawdowns. We tested three deposits or credits from the accounting records under OVW Award Number 2012-TW-AX-0016, and found that each deposit was made up of multiple donations to the organization. We also identified five deposits from the accounting records under OVW Award Number 2013-TW-AX-0016 that Wiconi was unable to support.

While we do not consider donations to be program income, we determined that Wiconi should maintain program accounts that enable separate identification and accounting for each deposit. The donations that we sampled under OVW Award Number 2012-TW-AX-0016 were not classified in the accounting records as donations or other sources of income. In our judgment, Wiconi should ensure that donations are tracked separately and are easily identifiable in the accounting system. Therefore, we recommend that OVW ensure that Wiconi implements policies and procedures to ensure that any donations or other sources of revenue related to its projects are adequately tracked and accounted for, which includes establishing and maintaining program accounts that enable separate identification and accounting for receipt and disposition of all funds.

Compliance with Special Conditions Related to Award Expenditures

Special conditions are the terms and conditions that are included with the awards. In the *Compliance with Special Conditions Related to Performance* section of this report, we evaluated a sample of special conditions requirements that are significant to program performance. In this section, we judgmentally selected a sample 11 special conditions related to award expenditures for 8 out of the 12 awards under our review. We identified eight instances where Wiconi was not in compliance with special conditions related to award expenditures, which are summarized below.

1. For two awards, we found that the awards required that OJP review and approve Wiconi's budget and budget narrative prior to incurring expenses.
 - a. For OVC Award Number 2013-VI-GX-K008, we found that Wiconi incurred \$3,288 in expenditures that were not for the purposes of attending the CTAS orientation meeting prior to the removal of this special condition.
 - b. For OVC Award Number 2014-XV-BX-K029, we found that Wiconi incurred \$150 prior to the removal of this special condition.
2. For two awards, we found that the awards required OVW approval for the use of award funds for purposes not identified in the approved award application. While we identified unbudgeted costs under all of the awards, we specifically sampled this special condition under the following two awards.
 - a. For OVW Award Number 2012-TW-AX-0016, we identified numerous unallowable expenses not listed in the approved award budget, including unbudgeted personnel, consultant, equipment, and other direct costs. These costs are identified in the sections under the

Award Expenditures section of this report, as well as in further detail in Appendix 8.

- b. For OVW Award Number 2015-WR-AX-0031, we identified numerous unallowable expenses not listed in the approved award budget, including unbudgeted personnel, consultant, and other direct costs. These costs are identified in the sections under the *Award Expenditures* section of this report, as well as in further detail in Appendix 8.
3. For OVW Award Number 2013-CY-AX-K020, we found that the award prohibited the use of award funds for entertainment and social activities. However, we found that Wiconi incurred costs used for these types of activities associated with the summer camp and softball team, outlined under this award in the *Program Goals and Objectives* section of this report. This includes costs for meals, which is explicitly prohibited by this special condition.
4. For OVW Award Number 2013-TW-AX-0016, we found that Wiconi commingled the funds for this award with funds from a previous award under the Tribal Governments Program, which violates this special condition. We further assess this issue under the *Drawdowns* section of this report.
5. For OVW Award Number 2013-TW-AX-0016, we found that the award required that Wiconi notify OVW in writing when hiring family members in grant-funded positions. However, we determined that Wiconi violated this special condition. While Wiconi did not properly disclose conflicts of interest under any of the awards under our review, we specifically sampled this special condition under this award, and found that Wiconi was not in compliance.
6. For OVW Award Number 2016-WH-AX-0022, we found that the award prohibited the use of award funds for support services unless the victim was in transitional housing program for at least six months. We found that Wiconi officials used award funds for these services for a victim not living in a transitional housing facility or receiving rental assistance for at least 6 months, violating this special condition.

Overall, we found that Wiconi was not in compliance with eight special conditions that we reviewed related to award expenditures. As a result, we recommend that OJP remedy \$3,438 in unallowable expenses incurred prior to OJP's review and approval of Wiconi's budget and budget narrative. We also recommend that both OJP and OVW ensure that Wiconi implements policies and procedures to ensure that Wiconi complies with award special conditions.

Matching Costs

Matching costs are the non-federal recipient's share of the total project cost. Wiconi is required to expend \$250,000 in matching expenditures for OVC Award Number 2015-VT-BX-K059, which represents a 25 percent match for the \$1,000,000 total project cost. The DOJ Grants Financial Guide states that the

recipient must maintain records that clearly show the source, amount, and timing for all matched contributions. We found that Wiconi does not maintain a general accounting ledger to track matching contributions, and we were not provided adequate records to show the source, amount, and timing for these expenses. However, Wiconi provided documentation for certain expenses used to report quarterly matching expenditures to OVC. These documents consisted of information related to cash donations, as well as in-kind goods and services. Because we were not provided a ledger that totaled the amount of matching costs, we manually calculated the amount of match contributed to the project to date.

We found that Wiconi received \$40,085 in cash donations that Wiconi reported as matching costs. The DOJ Grants Financial Guide defines "cash match" as cash that is spent for project-related costs. We were not provided evidence to indicate that the cash donations were spent on the project, or spent on costs that are allowable based on the approved award budget. In fact, because we were not provided with accounting records for matching costs, we cannot ensure that these donations were spent at all. As a result, we did not consider the cash donations as part of the overall match contribution.

In addition to the cash donations, Wiconi provided documentation indicating that the remaining match contribution was made up of in-kind goods and services, which includes 41 individual transactions, totaling \$86,538. This included items such as donated goods and supplies, and hours contributed to the project by volunteers. The DOJ Grants Financial Guide states that documentation supporting the market value of in-kind match must be maintained in award recipient files. Volunteer services must be consistent with rates ordinarily paid for similar work in the recipient's organization, or rates consistent with those ordinarily paid by other employees for similar work in the same labor market. If a third party donates supplies, equipment, or space, the value must not exceed the fair market value of the property at the time of the donation. The Uniform Guidance also states that the fair market value of goods and services contributed as in-kind contributions must be documented and, to the extent feasible, supported by the same methods used internally by the recipient.

We found that none of the documentation provided to support matching costs came with accompanying support for the market value of the contribution. We did not receive evidence that the rate used for volunteer services was consistent with an employee performing similar work in the labor market. Wiconi officials also stated that the individuals that donated the goods and supplies determined the value of the contribution. Consequently, we did not receive evidence that the goods and supplies contributed as match were appropriately valued.

Further, we found that all of the transactions we identified were not adequately supported with the documentation required for matching expenses, including: (1) time and efforts for volunteers; (2) receipts or invoices for goods; (3) a value justification; and (4) a disbursement request or authorization that approves the matching cost. In fact, all 41 of the matching transactions we reviewed were not properly authorized by both the Executive Director and a member of the Board of Directors. The inadequate support provided for matching

expenditures, in conjunction with the fact that Wiconi officials did not provide a general ledger for matching expenditures, further demonstrates that all of the matching costs identified during our analysis, totaling \$86,538, is unsupported. We recommend that OJP remedy \$86,538, in unsupported matching costs.

Finally, we determined that 40 out of 41 of the matching transactions that we reviewed, totaling \$80,396, were not listed in the approved award budget as expenses Wiconi intended to use as match for the project. Therefore, we recommend that OJP remedy \$80,396 in unallowable matching costs. Additionally, we recommend that OJP ensure that:

- Wiconi implements policies and procedures to ensure that all requests for matching contributions are properly authorized, which includes requiring that all matching requests are approved by a member of the Board of Director's who has reviewed the request; and
- Wiconi implements policies and procedures to ensure the proper accounting of matching contributions, which includes maintaining a general ledger that clearly shows the source, amount, and timing of these expenditures.

Budget Management and Control

According to the DOJ Grants Financial Guide, the recipient is responsible for establishing and maintaining an adequate accounting system, which includes the ability to compare actual expenditures or outlays with budgeted amounts for each award. Additionally, the recipient must initiate a GAN for a budget modification that reallocates funds among budget categories if the proposed cumulative change is greater than 10 percent of the total award amount.

As detailed in the *Award Financial Management* section, we identified significant discrepancies related to the classification of expenses in Wiconi's accounting system. Nevertheless, we attempted to classify each expenditure into the appropriate budget category based on what was approved by each awarding agency. We compared award expenditures to the approved budgets to determine whether Wiconi transferred funds among budget categories in excess of 10 percent. We found that Wiconi did not adhere to the 10 percent rule for OVC Award Number 2013-VR-GX-K025. Wiconi was over budget on direct expenditures by \$61,514, and the 10 percent rule only allows the organization to be over budget by \$45,000, which is a difference of \$16,514. Therefore, we recommend that OJP remedy the \$16,514 in unallowable costs resulting from transfers between budget categories exceeding 10 percent of the total award under Award Number 2013-VR-GX-K025.

Drawdowns

According to the DOJ Grants Financial Guide, an adequate accounting system should be established to maintain documentation to support all receipts of federal funds. If, at the end of the grant award, recipients have drawn down funds in excess of federal expenditures, unused funds must be returned to the awarding agency. To assess whether Wiconi managed award receipts in accordance with federal requirements, we compared the total amount reimbursed to the total

expenditures in the accounting records. As of March 31, 2017, Wiconi had drawn down a total of \$1,029,264 from the five OVC awards under our review. As of April 30, 2017, Wiconi had drawn down a total of \$1,616,048 from the seven OVW awards under our review. Table 13 provides a summary of our drawdown analysis.

Table 13
Total Drawdowns Compared to Expenditures

Award Number	Total Drawdowns	Total Expenditures	Expenditures Less Drawdowns
OJP Awards as of March 31, 2017			
2013-VR-GX-K025	\$450,000	\$453,825	\$3,825
2013-VI-GX-K008	\$378,110	\$392,199	\$14,090
2014-XV-BX-K029	\$178,053	\$194,529	\$16,477
2015-VT-BX-K059	\$11,934	\$25,907	\$13,973
2016-VR-GX-K014	\$11,168	\$13,708	\$2,540
Total OJP Awards:	\$1,029,264	\$1,080,168	
OVW Awards as of April 30, 2017			
2012-TW-AX-0016	\$845,000	\$833,196	(\$11,805)
2013-CY-AX-K020	\$239,383	\$257,263	\$17,880
2013-TW-AX-0016	\$454,000	\$438,156	(\$15,844)
2014-KT-AX-0007	\$35,777	\$47,611	\$11,834
2015-WR-AX-0031	\$31,889	\$41,201	\$9,433
2016-TW-AX-0024	\$10,000	\$23,850	\$14,668
2016-WH-AX-0022	\$0	N/A	N/A
Total OVW Awards:	\$1,616,048	\$1,637,819	
Total All Awards:	\$2,645,312	\$2,717,987	

Source: OJP and Wiconi

First, we determined that Wiconi does not have enough expenditures to cover the total amount of drawdowns for OVW Award Number 2012-TW-AX-0016, and OVW Award Number 2013-TW-AX-0016. The net expenditures listed in the accounting records on the date of the final drawdown we reviewed was \$11,805, and \$15,844 less than the total drawdowns on this date, respectively. Because both of these awards are closed, we consider the \$11,805 and the \$15,844 in excess drawdowns unallowable. We recommend that OVW remedy \$11,805 under Award Number 2012-TW-AX-0016 and the \$15,844 in excess drawdowns under Award Number 2013-TW-AX-0016.

Next, the DOJ Grants Financial Guide states that a recipient should time their draw down requests to ensure that federal cash on hand is the minimum needed for disbursements or reimbursements to be made immediately or within 10 days. If the funds are not spent or disbursed within 10 days, the recipient must return them to the awarding agency. We determined that Wiconi had federal cash on hand for more than 10 days under OVC Award Number 2013-VR-GX-K025 and OVW Award Number 2012-TW-AX-0016. In certain instances, Wiconi went months with more

cash on hand than there were expenditures. As a result, we recommend that both OJP and OVW ensure that Wiconi implements policies and procedures to ensure that federal cash on hand is the minimum needed for disbursement to be made immediately or within 10 days, and, if the funds are not spent or disbursed within 10 days, Wiconi must return them to the awarding agency, as required by the DOJ Grants Financial Guide.

Expired Drawdowns

On November 21, 2017, we requested an updated payment history report from OJP and identified additional discrepancies related to the most recent drawdowns under certain closed awards. Table 14 identifies the updated drawdowns for all 12 awards under our review.

Table 14
Wiconi Drawdowns as of November 21, 2017

Award Number	Total Drawdowns	Remaining Funds	Project Period End Date	Award Status
OJP Awards as of November 21, 2017				
2013-VR-GX-K025	\$450,000	\$0	12/31/2016	Closed
2013-VI-GX-K008	\$442,245	\$7,755	3/30/2017	Closed
2014-XV-BX-K029	\$230,381	\$429,619	9/30/2018	Open
2015-VT-BX-K059	\$87,700	\$662,300	9/30/2018	Open
2016-VR-GX-K014	\$68,711	\$381,289	9/30/2019	Open
Total OJP Awards:	\$1,279,037	\$1,480,963		
OVW Awards as of November 21, 2017				
2012-TW-AX-0016	\$845,000	\$0	4/30/2016	Closed
2013-CY-AX-K020	\$255,474	\$94,526	3/31/2017	Closed
2013-TW-AX-0016	\$454,000	\$0	9/30/2016	Closed
2014-KT-AX-0007	\$80,409	\$244,591	9/30/2019	Open
2015-WR-AX-0031	\$105,615	\$444,385	9/30/2019	Open
2016-TW-AX-0024	\$72,200	\$527,800	9/30/2019	Open
2016-WH-AX-0022	\$55,019	\$294,981	9/30/2019	Open
Total OVW Awards:	\$1,867,718	\$1,606,282		
Total All Awards:	\$3,146,755	\$3,087,245		

Source: OJP and Wiconi

According to the DOJ Grants Financial Guide, any unobligated or unexpended funds will be de-obligated within 90 days of the end date of the award. As shown in Table 14, the award end date for OVW Award Number 2013-CY-AX-K020 was March 31, 2017. However, we found that Wiconi had not drawn down the remaining \$94,526 in available funds as of November 21, 2017, nearly 8 months after the award ended. The closeout package, completed on August 16, 2017, shows that OVW intended to de-obligate \$89,013 in funds from this award.¹⁴

¹⁴ The remaining \$5,513 related to the \$94,526 in available funds was reported as spent on Wiconi's final Federal Financial Report (FFR), which we reviewed in the *Federal Financial Reports* section of this report.

However, as of April 16, 2018, the \$89,013 in unspent funds still had not been de-obligated by OVW. As a result, we recommend that OVW put to better use the remaining \$89,013 in funds obligated against Award Number 2013-CY-AX-K020.

Similarly, as shown in Table 14, the award end date for OVC Award Number 2013-VI-GX-K008 was March 30, 2017. However, as of November 21, 2017, Wiconi had not drawn down the remaining \$7,755 in available funding, nearly 8 months after the award ended. As of April 6, 2018, the closeout package had not been completed for this award. Therefore, the \$7,755 in funds still available under this award have expired, but have not yet been de-obligated by OJP. As a result, we recommend that OJP put to better use the remaining \$7,755 in funds obligated against Award Number 2013-VI-GX-K008.

Further review of the closeout package status for OVC Award Number 2013-VI-GX-K008 shows that OJP intended to de-obligate \$23,315 from this award rather than the \$7,755 in remaining drawdowns. We determined that \$23,315 is the difference between the original award amount of \$450,000 and the amount of final expenses reported on the final federal financial report (FFR) of \$426,685. Therefore, Wiconi reported and attested that it only spent \$426,685 on this award. The difference between what Wiconi drew down and what Wiconi actually spent based on their final FFR is \$15,560. We determined that this amount is unallowable, as Wiconi drew down more than what they stated was spent on the project. We recommend that OJP remedy \$15,560 in unallowable excess drawdowns under Award Number 2013-VI-GX-K008.

Finally, for OVC Award Number 2013-VI-GX-K008, we found that the final drawdown, dated July 3, 2017, totaled \$28,102. The DOJ Grants Financial Guide states that all obligations incurred prior to the project period end date must be liquidated no more than 90 days after the project period end date. We determined that the final drawdown for this award was recorded 94 days after the award end date of March 30, 2017. While it is possible that the expenses associated with the \$28,102 drawdown were incurred prior to the award end date, we determined that Wiconi already made two drawdowns, totaling \$36,034, after the award end date. Additionally, we reviewed expenses in the accounting records under this award that further indicate Wiconi was incurring expenses after the award end date, yet still charging these costs to the award. Due to the increased risk the expenses to support the final drawdown were incurred after the project end date, we recommend that OJP further review the allowability of expenditures associated with the final drawdown of \$28,102 for Award Number 2013-VI-GX-K008.

Commingled Drawdowns

The DOJ Grants Financial Guide states that the accounting systems of all recipients must ensure that agency funds are not commingled with funds from other Federal or private agencies. This criteria states that the recipient must account for each award separately, and cannot commingle funds on a program-by-program or project-by-project basis. Funds received for one project may not be used to support another. We identified four drawdowns that were incorrectly recorded in the wrong general ledgers.

First, for OVC Award Number 2014-XV-BX-K029 we found an additional drawdown deposit of \$6,000 that should have been recorded in the accounting records for OVC Award Number 2013-VI-GX-K008. Next, for OVW Award Number 2012-TW-AX-0016, we identified two additional drawdown deposits, totaling \$92,651 and \$19,281, in the accounting records. The extra \$19,281 in drawdowns should have been recorded in the accounting records for OVW Award Number 2013-TW-AX-0016. We could not identify the \$92,651 in drawdowns on any of the payment history reports for the awards we reviewed. However, the \$92,651 was incorrectly listed in the accounting records. Finally, for OVW Award Number 2013-TW-AX-0016, we found an additional drawdown deposit of \$10,000 in the accounting records that should have been deposited in the accounting records for OVW Award Number 2012-TW-AX-0016.

As identified in the *Award Expenditures* section of this report, we also identified numerous instances during our testing of direct costs where Wiconi allocated expenditures to the wrong awards. Based on our overall assessment of Wiconi's award financial management, we determined that Wiconi cannot account for award funds separately and accurately. Therefore, we recommend that both OJP and OVW ensure that Wiconi implements policies and procedures to ensure the proper accounting and classification of award funds by establishing a system to adequately record, monitor, and track funds according to project category in order to maintain program accounts that enable separate identification and accounting for funds applied to each budget category included within the approved award and to prevent the commingling of funds.

Unallowable Award Obligations

The DOJ Grants Financial Guide states that the obligation deadline for award funds is the last day of the award period, and no additional obligations can be incurred after the end of the award. Any costs that are incurred after the expiration of the project period are not allowable. We identified \$4,061 in personnel and travel costs under OVW Award Number 2013-CY-AX-K020 that were incurred after the project period end date of March 31, 2017. We recommend that OVW remedy \$4,061 in expenditures incurred after the award closeout date for Award Number 2013-CY-AX-K020.

Federal Financial Reports

According to the DOJ Grants Financial Guide, recipients shall report the actual expenditures and unliquidated obligations incurred for the reporting period on each financial report as well as cumulative expenditures. To determine whether Wiconi submitted accurate FFRs, we compared the most recent reports to Wiconi's accounting records for the awards under our review. Table 15 summarizes our findings related to the 18 FFRs we reviewed for the 5 OVC awards.

Table 15
FFR Accuracy by Period (OVC)

Report No.	Period Expenses Reported In FFR	Period Expenses Reported in the GL	Period Difference	Cumulative Expenses Reported in the FFR	Cumulative Expenses Reported in the GL	Cumulative Difference
OVC Award Number 2013-VR-GX-K025						
13	\$81,658	\$100,489	\$18,831	\$450,000	\$437,652	(\$12,348)
12	\$44,323	\$45,281	\$958	\$368,342	\$337,163	(\$31,178)
11	\$27,992	\$26,399	(\$1,593)	\$324,019	\$291,883	(\$32,136)
10	\$38,697	\$39,238	\$540	\$296,027	\$265,484	(\$30,543)
OVC Award Number 2013-VI-GX-K008						
13	\$66,810	\$58,324	(\$8,486)	\$374,248	\$375,560	\$1,311
12	\$24,144	\$23,660	(\$484)	\$307,438	\$317,236	\$9,798
11	\$29,185	\$27,630	(\$1,555)	\$283,294	\$293,576	\$10,282
10	\$33,366	\$33,101	(\$264)	\$254,109	\$265,946	\$11,837
OVC Award Number 2014-XV-BX-K029						
10	\$7,975	\$17,514	\$9,539	\$194,092	\$202,268	\$8,176
9	\$16,713	\$16,323	(\$390)	\$186,117	\$184,754	(\$1,363)
8	\$24,244	\$24,264	\$20	\$169,404	\$168,431	(\$973)
7	\$25,936	\$24,664	(\$1,271)	\$145,159	\$144,167	(\$992)
OVC Award Number 2015-VT-BX-K059						
6	\$33,652	\$22,612	(\$11,040)	\$40,843	\$33,493	(\$7,350)
5	\$6,257	\$4,974	(\$1,283)	\$7,191	\$10,881	\$3,690
4	-	\$216	\$216	\$934	\$5,908	\$4,974
3	-	\$4,758	\$4,758	\$934	\$5,692	\$4,758
OVC Award Number 2016-VR-GX-K014						
2	\$5,670	\$17,511	\$11,841	\$5,670	\$17,911	\$12,241
1	-	\$400	\$400	-	\$400	\$400

Note: The red numbers in the difference columns indicate that Wiconi over-reported the amount of expenditures for the FFR.

Source: OJP and Wiconi

We found that none of the 18 FFRs matched Wiconi's accounting records for all 5 OVC awards. We also reviewed FFR accuracy for the OVW awards under our review, which is summarized in Table 16 on the following page.

Table 16
FFR Accuracy by Period (OVW)

Report No.	Period Expenses Reported In FFR	Period Expenses Reported in the GL	Period Difference	Cumulative Expenses Reported in the FFR	Cumulative Expenses Reported in the GL	Cumulative Difference
OVW Award Number 2012-TW-AX-0016						
15	-	\$14,467	\$14,467	\$845,000	\$828,521	(\$16,479)
14	\$61,642	\$72,498	\$10,856	\$845,000	\$814,054	(\$30,946)
13	\$55,727	\$52,836	(\$2,891)	\$783,358	\$741,555	(\$41,802)
12	\$83,958	\$83,428	(\$530)	\$727,631	\$688,719	(\$38,912)
OVW Award Number 2013-CY-AX-K020						
15	\$28,230	\$21,063	(\$7,167)	\$260,987	\$251,175	(\$9,812)
14	\$18,067	\$18,259	\$192	\$232,757	\$230,112	(\$2,645)
13	\$17,816	\$17,816	-	\$214,690	\$211,853	(\$2,837)
12	\$23,479	\$23,067	(\$412)	\$196,874	\$194,037	(\$2,837)
OVW Award Number 2013-TW-AX-0016						
12	\$50,121	\$47,428	(\$2,694)	\$454,000	\$438,156	(\$15,844)
11	\$45,262	\$35,504	(\$9,758)	\$403,879	\$390,728	(\$13,150)
10	\$37,126	\$37,166	\$40	\$358,617	\$355,224	(\$3,393)
9	\$57,899	\$55,564	(\$2,335)	\$321,490	\$318,057	(\$3,433)
OVW Award Number 2014-KT-AX-0007						
10	\$6,339	\$16,200	\$9,861	\$38,566	\$53,766	\$15,200
9	\$11,409	\$11,409	-	\$32,227	\$37,567	\$5,340
8	\$15,603	\$15,603	-	\$20,818	\$26,158	\$5,340
7	-	-	-	\$5,215	\$10,555	\$5,340
OVW Award Number 2015-WR-AX-0031						
6	\$28,164	\$27,864	(\$300)	\$50,892	\$50,192	(\$700)
5	\$20,167	\$19,767	(\$400)	\$22,728	\$22,328	(\$400)
4	\$1,298	\$1,298	-	\$2,561	\$2,561	-
3	\$1,264	-	(\$1,264)	\$1,264	\$1,264	-
OVW Award Number 2016-TW-AX-0024						
2	\$13,086	\$22,034	\$8,948	\$13,086	\$22,743	\$9,658
1	-	\$710	\$710	-	\$710	\$710
OVW Award Number 2016-WH-AX-0022						
2	\$7,644	\$7,644	-	\$7,644	\$7,644	-
1	-	-	-	-	-	-

Note: The red numbers in the difference columns indicate that Wiconi over-reported the amount of expenditures for the FFR.

Source: OJP and Wiconi

For the 24 FFRs we reviewed, we found that the FFRs did not match Wiconi's accounting records for 6 out of 7 OVW awards.

Additionally, in the *Matching Costs* section of this report, we determined that Wiconi was not able to provide accounting records to support the matching expenses incurred under OVC Award Number 2015-VT-BX-K059. Therefore, we are unable to verify that the amount of matching expenditures reported in the FFRs for that award were accurate. Overall, we recommend that OJP and OVW ensure that Wiconi implements policies and procedures to ensure the proper accounting and classification of award funds by establishing a system to adequately record, monitor, and track funds, including matching costs, according to project category in order to properly report the correct amount of expenditures on its FFRs.

Overall Assessment of Seven Wiconi Awards

The limited supportable program success and duplication of similar award objectives, in conjunction with the significant audit findings related to Wiconi's financial management of award funds indicates that Wiconi has not successfully administered the 12 awards to demonstrate that award objectives, including serving victims of domestic violence and sexual assault, are being meaningfully addressed. Specifically, we found that 7 of the 12 were not administered in a way that Wiconi can successfully achieve the overall purpose for the awards and, in some cases, were duplicative or similar to other DOJ awards. Furthermore, significant deficiencies in Wiconi's financial management of award funds, including waste and abuse by Wiconi officials, resulted in excessive and unreasonable spending for all 12 awards. Overall, our review indicates that Wiconi has received funding to achieve duplicative or similar objectives for duplicated victims. We provide an overall assessment of seven awards below.

OVC Award Number 2013-VR-GX-K025 – Comprehensive Tribal Victim Assistance Program

In the *Program Goals and Objectives* section of this report, we determined that Wiconi was unable to demonstrate successful achievement of two out of the three intended award objectives. For the remaining objective, we found that Wiconi duplicated the number of victims served with OVW Award Number 2013-TW-AX-0016, as well as across progress reporting periods, as stated in the *Duplication of Performance Metrics* section of this report. Additionally, we found that this project was not completed in the intended timeframe set by OVC, and Wiconi significantly adjusted its approved award budget multiple times. For example, Wiconi officials were approved to use \$86,100 in award funds to conduct local cycles of substance abuse treatment and aftercare. We found that Wiconi spent \$63,774 for these treatment cycles, which Wiconi officials acknowledged were unsuccessful and could not provide documentation to support that any victim received substance abuse treatment. We identified \$183,708 in gross unsupported costs and \$215,224 in gross unallowable costs, and found that Wiconi did not adequately administer funding under this award, as stated in the *Award Financial Management and Award Expenditures* section of this report. Further detail related to the questioned costs associated with this award can be found in Appendix 8. Due to the extensive mismanagement of award funds resulting in significant questioned costs and numerous deficiencies with Wiconi's ability to support

achievement of award objectives, we question all costs under this award as unsupported, and recommend that OJP remedy all drawdowns, totaling \$450,000.

OVC Award Number 2013-VI-GX-K008 – Children’s Justice Act Partnerships for Indian Communities

In the *Program Goals and Objectives* section of this report, we determined that Wiconi was unable to demonstrate successful achievement of four out of the seven award objectives. For the remaining three objectives, we found that Wiconi maintained limited information to support program accomplishments, and that the evidence provided was inadequate based on the validity and reliability of the documents provided as support. In fact, no documentation was provided to support that Wiconi provided services to a single child or conducted a child abuse investigation or prosecution. Additionally, we found that this project was not completed in the intended timeframe set by OVC, and Wiconi significantly adjusted its approved award budget multiple times. We identified \$150,051 in gross unsupported costs and \$64,496 in gross unallowable costs, and found that Wiconi did not adequately administer funding under this award, as stated in the *Award Financial Management* and *Award Expenditures* section of this report. Further detail related to the questioned costs associated with this award can be found in Appendix 8. Due to the extensive mismanagement of award funds resulting in significant questioned costs and numerous deficiencies with Wiconi’s ability to support achievement of award objectives, we question all costs under this award as unsupported, and recommend that OJP remedy all drawdowns, totaling \$442,245.

OVW Award Number 2013-CY-AX-K020 – Engage Men & Boys as Allies Program

In the *Program Goals and Objectives* section of this report, we determined that Wiconi was unable to demonstrate successful achievement of seven out of the eight award objectives. For the remaining objective, we found Wiconi maintained limited information to support accomplishments, and that the evidence provided was not sufficient based on our review of progress report metrics. The OVW grant manager also denied a request to extend the award period and modify the budget because Wiconi had not demonstrated achievement of award activities and the proposed activities were outside the scope of the program. Overall, we could not verify that Wiconi conducted any meaningful mentoring to engage boys in stopping violence against girls.

Furthermore, we identified \$36,012 in gross unsupported and \$24,371 in gross unallowable costs, and found that Wiconi did not adequately administer funding under this award, as stated in the *Award Financial Management* and *Award Expenditures* section of this report. Further detail related to the questioned costs associated with this award can be found in Appendix 8. Due to the extensive mismanagement of award funds resulting in significant questioned costs and numerous deficiencies with Wiconi’s ability to support achievement of award objectives, we question all costs under this award as unsupported, and recommend that OVW remedy all drawdowns, totaling \$255,474.

OVW Award Number 2013-TW-AX-0016 – Tribal Governments Program

In the *Program Goals and Objectives* section of this report, we determined that Wiconi was unable to demonstrate successful achievement of two out of the three award objectives. For the remaining objective, we found that Wiconi duplicated the number of victims served with OVC Award Number 2013-VR-GX-K025, as well as across progress reporting periods, as stated in the *Duplication of Performance Metrics* section of this report. We also found that all of the deliverables under this award were duplicative or similar to deliverables created under other awards under our review, as shown in the final column of Appendix 5. For instance, treatment, counseling, advocacy, and other proposed assistance to victims of crime listed under Objective Number 1 for this award would already have been addressed during this time period by the same objective created under four other OVC and OVW awards, including OVC Award Number 2013-VR-GX-K025. While there are slight differences in these awards, it appears that just one of the awards would have been sufficient to complete the same amount of work.

Finally, in addition to the deficiencies identified related to performance, we identified \$60,182 in gross unsupported and \$54,355 in gross unallowable costs, and found that Wiconi did not adequately administer funding under this award, as stated in the *Award Financial Management* and *Award Expenditures* section of this report. Further detail related to the questioned costs associated with this award can be found in Appendix 8. Due to the extensive mismanagement of award funds resulting in significant questioned costs and numerous deficiencies with Wiconi's ability to support achievement of award objectives, we question all costs under this award as unsupported, and recommend that OVW remedy all drawdowns, totaling \$454,000.

OVW Award Number 2014-KT-AX-0007 – Tribal Sexual Assault Services Program

In the *Program Goals and Objectives* section of this report, we determined that, while this project is ongoing, three of the four award objectives have not been adequately achieved, and Wiconi officials have not demonstrated that the deliverables will be completed. Further, we found that the project timeline for this award was extended by 2 years, indicating that the project is not adequately progressing as intended by OVW. We also found that the deliverables under this award are duplicative or similar to deliverables created under other awards under our review, as shown in the final column of Appendix 5. For instance, proposed assistance to victims of sexual assault would already have been addressed during this time period under the objectives created under six other OVC and OVW awards, including OVC Award Number 2013-VR-GX-K025 and OVC Award Number 2016-VR-GX-K014. Although slight differences exist between these awards, given Wiconi's inability to support certain program accomplishments, and the limited activity observed during our three separate weeks onsite, it appears this award may not have been necessary as other DOJ awards encompass the same scope of work.

Finally, in addition to the deficiencies identified related to performance, we identified \$11,861 in gross unsupported and \$4,792 in gross unallowable costs, and found that Wiconi did not adequately administer funding under this award, as

stated in the *Award Financial Management and Award Expenditures* section of this report. Further detail related to the questioned costs associated with this award can be found in Appendix 8. Due to the extensive mismanagement of award funds resulting in questioned costs and numerous deficiencies with Wiconi's ability to support achievement of award objectives, we question all costs under this award as unsupported, and recommend that OVW remedy all drawdowns, totaling \$80,409. Additionally, we recommend that OVW put to better use the remaining \$244,591 in funds obligated against this award, as this funding appears duplicative of existing DOJ funding for similar costs and award goals and objectives.

OVW Award Number 2015-WR-AX-0031 – Rural Assistance Program

In the *Program Goals and Objectives* section of this report, we determined that while this project is ongoing, one of the five award objectives have not been adequately achieved, and Wiconi officials have not demonstrated that the deliverables will be completed. Further, we found that majority of the deliverables under this award are duplicative or similar to deliverables created under other awards under our review, as shown in the final column of Appendix 5. For instance, proposed assistance to victims on the Lower Brule Reservation would already have been addressed during this time period under the objectives created under six other OVC and OVW awards, including OVC Award Number 2013-VR-GX-K025 and OVC Award Number 2016-VR-GX-K014. Although slight differences exist between these awards, given Wiconi's inability to support certain program accomplishments, the duplicative reporting of victims, and the limited activity observed during our three separate weeks onsite, it appears this award may not have been necessary as other DOJ awards encompass the same scope of work.

Finally, in addition to the deficiencies identified related to performance, we identified \$8,041 in gross unsupported and \$8,140 in gross unallowable costs, and found that Wiconi did not adequately administer funding under this award, as stated in the *Award Financial Management and Award Expenditures* section of this report. Further detail related to the questioned costs associated with this award can be found in Appendix 8. Due to the extensive mismanagement of award funds resulting in questioned costs and numerous deficiencies with Wiconi's ability to support achievement of award objectives, we question all costs under this award as unsupported, and recommend that OVW remedy all drawdowns, totaling \$105,615. Additionally, we recommend that OVW put to better use the remaining \$444,385 in funds obligated against this award, as this funding appears duplicative of existing DOJ funding for similar costs and award goals and objectives.

OVW Award Number 2016-TW-AX-0024 – Tribal Governments Program

In the *Program Goals and Objectives* section of this report, we determined that while this project is ongoing, two of the five award objectives have not been adequately achieved, and Wiconi officials have not demonstrated that the deliverables will be completed. Further, we found that majority of the deliverables under this award are duplicative or similar to deliverables created under other awards under our review, as shown in the final column of Appendix 5. For instance, treatment, counseling, advocacy, and other proposed assistance to victims of crime

listed under Objective Number 1 for this award would already have been addressed during this time period under the objectives created under three other OVC and OVW awards, including OVC Award Number 2016-VR-GX-K014. Although slight differences exist between these awards, given Wiconi's inability to support certain program accomplishments, the duplicative reporting of victims, and the limited activity observed during our three separate weeks onsite, it appears this award may not have been necessary as other DOJ awards encompass the same scope of work.

Finally, in addition to the deficiencies identified related to performance, we identified \$5,124 in gross unsupported and \$4,095 in gross unallowable costs, and found that Wiconi did not adequately administer funding under this award, as stated in the *Award Financial Management* and *Award Expenditures* section of this report. Further detail related to the questioned costs associated with this award can be found in Appendix 8. Due to the extensive mismanagement of award funds resulting in questioned costs and numerous deficiencies with Wiconi's ability to support achievement of award objectives, we question all costs under this award as unsupported, and recommend that OVW remedy all drawdowns, totaling \$72,200. Additionally, we recommend that OVW put to better use the remaining \$527,800 in funds obligated against this award, as this funding appears duplicative of existing DOJ funding for similar costs and award goals and objectives.

CONCLUSION AND RECOMMENDATIONS

As a result of our audit testing, we concluded that Wiconi has not successfully administered the 12 awards to demonstrate that award objectives, including serving victims of domestic violence and sexual assault, are being meaningfully addressed. We found that Wiconi did not adhere to all of the award requirements that we tested and did not adequately demonstrate that its current financial management system is sufficient to meet the requirements set forth in the DOJ Grants Financial Guide. We found that Wiconi officials did not maintain documentation to support all award expenditures and obligations of federal funds, and Wiconi did not comply with applicable regulations and award conditions to ensure that the costs incurred were reasonable, allowable, and properly allocated. Internal controls at Wiconi are inadequate and were frequently circumvented by Wiconi staff.

Moreover, we found significant problems with the integrity and reliability of the documentation provided to support costs, as well as program accomplishments. We reviewed documentation that appeared to be created or altered in response to our requests. We also identified significant deficiencies related to the integrity and reliability of the payroll records, and found that many of these records were altered by Wiconi officials. As a result, we cannot rely on much of the documentation.

Furthermore, we identified systemic issues at Wiconi regarding progress towards the completion of award goals and objectives. First, we identified 33 award objectives associated the 12 awards that we do not consider to be adequately achieved, 17 of which relate to awards that had ended during our review. For awards on-going at the time of our review, we determined that Wiconi has not demonstrated adequate progress towards the achievement of award deliverables. Next, we question the validity of the program accomplishments, due in part to the fact that many of the victims served at Wiconi are serviced under multiple awards, and therefore duplicated when counted in Wiconi's progress reports to OVC and OVW. We also observed only two victims being serviced during our multiple weeks of site work. Therefore, it appears that Wiconi serves fewer victims than has been reported. Finally, we found that many of the award goals and objectives are duplicated across the 12 awards. In fact, we determined that four of the OVW awards under our review appear duplicative of other DOJ funding for similar costs and award deliverables. Our review indicates that Wiconi has received funding in excess of what is necessary, as deliverables are the same or similar across multiple awards; total victims served has been inflated; and that Wiconi has failed to demonstrate accomplishment of more than 50 percent of award goals and objectives.

Overall, we found that Wiconi did not successfully administer the 12 DOJ awards we reviewed. We identified numerous instances of waste and abuse by Wiconi officials, resulting in excessive and unreasonable spending. The mismanagement of award funds and limited progress towards the completion of award deliverables results in significant findings in the areas of program performance; award expenditures; matching costs; budget management and

control; drawdowns; and federal financial reports. In total, our review identified \$5,035,888 in gross questioned costs, which resulted in \$2,887,594 in net questioned costs after adjusting costs that were questioned for multiple reasons. We also identified \$1,743,162 in funds to be put to better use. Ultimately, Wiconi's mismanagement of award funds and lack of supportable achievements calls into question Wiconi's ability to provide effective services to victims to the Crow Creek and Lower Brule Sioux Tribes. As a result, we provide 53 recommendations to OJP, and provide 46 recommendations to OVW to address these deficiencies.

We recommend that both OJP and OVW:

1. Ensure that Wiconi implements policies and procedures that require Wiconi employees to submit a certified voucher or reconciliation after travel is complete to attest to the accuracy and validity of expenses incurred during work-related travel.
2. Ensure that Wiconi implements policies and procedures to ensure that payment for expenses incurred by Wiconi are remitted in a reasonable timeframe in order to minimize the risk of incurring overdue penalties.
3. Ensure that Wiconi enforce its existing policy related to the authorization of award expenditures, which includes: (1) ensuring that all disbursements are approved by a member of the Board of Director's who has reviewed the request; (2) ensuring all mileage and per diem reimbursements are completed by the employee requesting the reimbursement, and subsequently authorized by the Executive Director; and (3) ensuring that the proper official authorizes timesheets and requests for annual and sick leave.
4. Ensure that Wiconi implements policies and procedures to ensure that all purchases are properly requested, authorized, and documented prior to when the purchase is initiated, including approving purchases involving credit cards, store accounts, and other credit accounts prior to purchase.
5. Ensure that Wiconi implements policies and procedures that require Wiconi to properly maintain property records, which should include an inventory log containing: (1) a description of the property; (2) a serial number or other identification number; (3) the source of the property; (4) the acquisition date; (5) the cost of the property; (6) the location of the property; and (7) the use and condition of the property. This policy should ensure that a physical inventory is completed once every two years, which further minimizes the risk of transposing equipment information when tracking items on an inventory log.
6. Ensure that Wiconi implements policies and procedures to ensure that procurement of accountable equipment or property is conducted in open, free, and fair competition, which includes ensuring that items purchased over \$5,000 are competitively bid with 3 quotations, as mandated by Wiconi's existing financial policies. This policy should ensure that the procurement process for equipment is adequately documented.

7. Ensure that Wiconi implements policies and procedures to ensure that Wiconi adequately procures contract agreements in compliance with the procurement standards set forth in the Uniform Guidance, which should include a formal process for: (1) soliciting contracts that allows for open, free, and fair competition; (2) properly selecting and authorizing consultants and contractors; (3) verifying consultant and contractor performance; and (4) maintaining sufficient documentation to detail the history of the procurement.
8. Ensure that Wiconi implements policies and procedures that contain an adequate segregation of duties for expenses incurred, which ensures that the official that prepares a transaction request, including a time and effort report, is different than the official that authorizes the payment. Specific to soliciting contract agreements, these policies and procedures should ensure that no one person is responsible for executing the entire procurement transaction alone, which includes identifying a needed project, creating a project solicitation, receiving and reviewing bids, awarding the contract, reviewing the contractor's work, and paying the contractor.
9. Ensure that Wiconi implements policies and procedures to ensure that Wiconi adequately administers contract agreements, which includes ensuring that: (1) contracts are properly signed by both parties who agree on the terms and conditions of the contract prior to when any services are rendered; and (2) ensuring that both parties agree to any contract modifications or amendments, and that those changes are adequately documented.
10. Ensure that Wiconi promptly discloses all real and apparent conflicts of interest in writing to the awarding agency under each of its federal awards, as well as the cognizant Federal audit agency, as mandated by the DOJ Grants Financial Guide.
11. Ensure that Wiconi implements policies and procedures to ensure that Wiconi adequately addresses conflicts of interest, both real and apparent, as they arise, which includes: (1) implementing a documented process to check for organizational conflicts of interest with potential contractors; (2) promptly reporting all potential conflicts of interest to the awarding agency and cognizant Federal audit agency, and/or proposed or actual actions regarding each irregularity; and (3) enhancing existing Wiconi policy to ensure that written standards of conduct covering conflict of interest and employee participation in selection, award, and administration of contracts is adequately followed.
12. Ensure that Wiconi implements an effective system for adequately and reliably measuring program performance and accomplishments for all future awards for purposes other than shelter services. This includes award programs specific to children's mentoring and counseling.
13. Ensure that Wiconi implements policies and procedures to ensure that Wiconi maintains and verifies valid and auditable source documentation that

supports performance measures reported in the semi-annual progress reports.

14. Ensure that Wiconi implements policies and procedures to ensure that Wiconi complies with award special conditions.
15. Ensure that Wiconi implements policies and procedures to ensure that federal cash on hand is the minimum needed for disbursement to be made immediately or within 10 days, and, if the funds are not spent or disbursed within 10 days, Wiconi must return them to the awarding agency as required by the DOJ Grants Financial Guide.
16. Ensure that Wiconi implements policies and procedures to ensure the proper accounting and classification of award funds by establishing a system to adequately record, monitor, and track funds, including matching costs, according to project category in order to: (1) maintain program accounts that enable separate identification and accounting for funds applied to each budget category included within the approved award and to prevent the commingling of funds; (2) consistently classify expenses using a clear and precise methodology; (3) ensure lump sum payments to credit accounts are broken down by individual expense, receipt, or invoice; and (4) properly report the correct amount of expenditures on its Federal Financial Reports (FFRs).
17. Ensure that all payroll expenditures at Wiconi are supported by a system of internal controls that provide reasonable assurance that all payroll charges are accurate, reliable, allowable, and properly allocated. This system should ensure that any alterations to payroll records are properly authorized and reflect the actual time worked.
18. Ensure that Wiconi enforces its existing policy and award terms and conditions related to employee work schedules and benefits, which includes ensuring that: (1) Wiconi employees are held accountable to approved work schedules; (2) any hours worked in excess of a regular 40 hour work week is authorized by the appropriate officials; (3) all regularly scheduled holidays are recognized either on the actual holiday, or one day before or after the holiday if the employee is scheduled to work; (4) incentive awards are given only to those that are eligible; (5) employees who receive fringe benefits are working at least 35 hours per week, as mandated by existing policy; and (6) the proper official authorizes timesheets and requests for annual and sick leave.
19. Ensure that Wiconi implements policies and procedures to ensure that the accurate amount of annual and sick leave is allocated to each employee, which includes: (1) ensuring that employees only accrue leave based on their regularly scheduled hours; (2) ensuring that all scheduled leave is deducted from each respective employee's balance of leave hours; and (3) ensuring that any administrative leave taken due to an emergency or inclement weather is approved by the appropriate official.

20. Ensure that Wiconi revise its current policy related to holiday, bereavement, and wellness leave to only include leave that is reasonable and justified.
21. Ensure that Wiconi completes required single audits in compliance with 2 C.F.R. 200, or the current Uniform Guidance.

We recommend that OJP:

22. Remedy \$18,754 in unallowable personnel and fringe benefit costs associated with employees that are not listed in the approved award budget.
23. Remedy \$38,084 in unallowable personnel and fringe benefit costs that were incorrectly allocated to the award.
24. Remedy \$7,523 in additional unallowable fringe benefit costs resulting from expenses not allowed by federal award conditions and that were double billed to the award ledgers.
25. Remedy \$17,665 in unallowable consulting costs that were not listed in the approved award budget.
26. Remedy \$40,168 in unallowable consulting costs that are considered unreasonable or excessive.
27. Remedy \$41,086 in unallowable consulting costs that were paid prior to when the consulting services were rendered (i.e. retainer fees).
28. Remedy \$10,173 in unallowable consulting costs that were erroneously charged to the award.
29. Remedy \$1,444 in unallowable consulting costs that were charged to the incorrect award.
30. Remedy \$80,396 in unallowable matching expenditures that were not listed in the approved award budget.
31. Remedy \$36,294 in unallowable other direct costs that were not listed in the approved award budget.
32. Remedy \$28,607 in unallowable other direct costs that are considered unreasonable or excessive.
33. Remedy \$7,546 in unallowable other direct costs that were charged to the incorrect award.
34. Remedy \$15,839 in unallowable other direct costs that were erroneously charged to the award.
35. Remedy \$4,435 in unallowable other direct costs that were double charged to the award.

36. Remedy \$3,438 in unallowable expenses incurred prior to OJP's review and approval of Wiconi's budget and budget narrative.
37. Remedy \$16,514 in unallowable costs resulting from transfers between budget categories exceeding 10 percent of the total award under Award Number 2013-VR-GX-K025.
38. Remedy the \$15,560 in unallowable excess drawdowns under Award Number 2013-VI-GX-K008.
39. Remedy \$766,303 in unsupported personnel and fringe benefit costs resulting from:
 - a. \$680,207 in unreliable payroll records.
 - b. \$86,096 in personnel and fringe benefit costs with missing or invalid supporting documentation.
40. Remedy \$158,552 in unsupported consulting costs.
41. Remedy \$920 in unsupported equipment costs resulting from purchases that do not contribute towards the completion of award goals and objectives.
42. Remedy \$86,538 in unsupported matching expenditures.
43. Remedy \$55,514 in unsupported other direct costs.
44. Remedy \$82,251 in unsupported expenditures purchased using a credit account, which are a result of: (1) unauthorized purchases; (2) limited assurance that expenses are properly allocated to the appropriate award; (3) insufficient detail in the accounting records to properly track and monitor expenses; and (4) purchases for purposes unassociated with award activities.
45. Remedy unsupported drawdowns totaling \$450,000 under Award Number 2013-VR-GX-K025 and \$442,245 under Award Number 2013-VI-GX-K008 resulting from the extensive mismanagement of award funds, as well as the limited supportable progress towards the completion of award goals and objectives.
46. Remedy and put to better use the remaining \$429,619 in funds obligated against Award Number 2014-XV-BX-K029, as this funding does not further support the original award goals and objectives.
47. Remedy and put to better use the remaining \$7,755 in funds obligated against Award Number 2013-VI-GX-K008, which has expired but has not yet been closed.
48. Further review the allowability of expenditures associated with the final drawdown of \$28,102 under Award Number 2013-VI-GX-K008.

49. Ensure that Wiconi implements policies and procedures to ensure that any event broadly defined as a conference is properly administered based on the guidance set forth in the DOJ Grants Financial Guide.
50. Ensure that Wiconi implements policies and procedures to ensure that all requests for matching contributions are properly authorized, which includes requiring that all matching requests are approved by a member of the Board of Director's who has reviewed the request.
51. Ensure that Wiconi implements policies and procedures to ensure the proper accounting of matching contributions, which includes maintaining a general ledger that clearly shows the source, amount, and timing of these expenditures.
52. Ensure that Wiconi implements policies and procedures to ensure that Wiconi retains qualified individuals under each award program, which includes maintaining adequate qualifications for each individual, such as resumes, background checks, or letters of reference.
53. Provide additional oversight and monitoring of Wiconi to ensure that the award goals and objectives are adequately achieved under Award Number 2015-VT-BX-K059 and Award Number 2016-VR-GX-K014, which includes potentially reviewing and revising the award goals and objectives for Award Number 2016-VR-GX-K014.

We recommend that OVW:

54. Remedy \$11,205 in unallowable personnel and fringe benefit costs associated with employees that are not listed in the approved award budget.
55. Remedy \$30,619 in unallowable personnel and fringe benefit costs that were incorrectly allocated to the award.
56. Remedy \$27,189 in additional unallowable fringe benefit costs resulting from expenses that are not listed in the approved award budget and are double billed to the award ledger.
57. Remedy \$10,636 in unallowable consulting costs that were not listed in the approved award budget.
58. Remedy \$7,129 in unallowable consulting costs that were paid prior to when the consulting services were rendered (i.e. retainer fees).
59. Remedy \$727 in unallowable consulting costs resulting from costs that were erroneously charged to the award.
60. Remedy \$7,220 in unallowable equipment costs that were not listed in the approved award budget.

61. Remedy \$24,974 in unallowable other direct costs that were not listed in the approved award budget.
62. Remedy \$4,668 in unallowable other direct costs that are considered unreasonable or excessive.
63. Remedy \$6,376 in unallowable other direct costs that were charged to the incorrect award.
64. Remedy \$10,640 in unallowable other direct costs that were erroneously charged to the award.
65. Remedy \$1,753 in unallowable other direct costs that were double charged to the award.
66. Remedy \$4,061 in unallowable expenditures incurred after the award closeout date under Award Number 2013-CY-AX-K020.
67. Remedy \$27,649 in unallowable excess drawdowns associated with:
 - a. \$11,805 in award reimbursements not supported by expenditures under Award Number 2012-TW-AX-0016.
 - b. \$15,844 in award reimbursements not supported by expenditures under Award Number 2013-TW-AX-0016.
68. Remedy \$1,253,365 in unsupported personnel and fringe benefit costs resulting from:
 - a. \$1,214,404 in unreliable payroll records.
 - b. \$38,961 in personnel and fringe benefit costs with missing or invalid supporting documentation.
69. Remedy \$24,796 in unsupported consulting costs.
70. Remedy \$34,833 in unsupported equipment expenditures.
71. Remedy \$99,645 in unsupported other direct costs.
72. Remedy \$54,880 in unsupported expenditures purchased using a credit account, which are a result of: (1) unauthorized purchases; (2) limited assurance that expenses are properly allocated to the appropriate award; (3) insufficient detail in the accounting records to properly track and monitor expenses; and (4) purchases for purposes unassociated with award activities.
73. Remedy \$255,474 in unsupported drawdowns under Award Number 2013-CY-AX-K020 resulting from extensive mismanagement of award funds, as well as limited supportable progress towards the completion of award goals and objectives.

74. Remedy \$712,224 in unsupported drawdowns resulting from: (1) extensive mismanagement of award funds; (2) limited supportable progress towards the completion of award goals and objectives; and (3) a duplication of DOJ funding for similar costs and award goals and objectives. This includes \$454,000 under Award Number 2013-TW-AX-0016, \$80,409 under Award Number 2014-KT-AX-0007, \$105,615 under Award Number 2015-WR-AX-0031, and \$72,200 under Award Number 2016-TW-AX-0024.
75. Remedy and put to better use \$1,216,775 in award funds duplicative of existing DOJ funding for similar costs and award objectives, which includes the remaining \$244,591 in funds obligated against Award Number 2014-KT-AX-0007, the \$444,385 in funds obligated against Award Number 2015-WR-AX-0031, and \$527,800 in funds obligated against Award Number 2016-TW-AX-0024.
76. Remedy and put to better use the remaining \$89,013 in funds obligated against Award Number 2013-CY-AX-K020, which has expired but has not yet been closed.
77. Provide additional monitoring and oversight of Wiconi to ensure that the award goals and objectives are adequately met under Award Number 2016-WH-AX-0022.
78. Ensure that Wiconi implements policies and procedures to ensure that any donations or other sources of revenue related to its projects are adequately tracked and accounted for, which includes establishing and maintaining program accounts that enable separate identification and accounting for receipt and disposition of all funds.

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

The objectives of this audit were to determine whether costs claimed under the awards were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the award; and to determine whether the grantee demonstrated adequate progress towards achieving the program goals and objectives. To accomplish these objectives, we assessed program performance, financial management, expenditures, budget management and control, drawdowns, and federal financial reports.

Scope and Methodology

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

This was an audit of the Office of Justice Programs (OJP) and Office on Violence Against Women (OVW) grants awarded to Wiconi Wawokiya, Inc. (Wiconi) under seven different federal award programs, which are outlined in Table 17.

**Table 17
Grants Awarded to Wiconi Wawokiya, Inc.**

Award Program Title	Award Number	Awarding Agency	Award Amount
DOJ Coordinated Tribal Assistance Solicitation (CTAS) ^a	2012-TW-AX-0016	OVW	\$845,000
	2013-TW-AX-0016	OVW	\$454,000
	2016-TW-AX-0024	OVW	\$600,000
	2013-VR-GX-K025	OVC	\$450,000
	2016-VR-GX-K014	OVC	\$450,000
	2013-VI-GX-K008	OVC	\$450,000
Engage Men & Boys as Allies Program	2013-CY-AX-K020	OVW	\$350,000
Vision 21 Program	2014-XV-BX-K029	OVC	\$660,000
Tribal Sexual Assault Services Program	2014-KT-AX-0007	OVW	\$325,000
Rural Assistance Program	2015-WR-AX-0031	OVW	\$550,000
Services for Victims of Human Trafficking Program	2015-VT-BX-K059	OVC	\$750,000
Transitional Housing Assistance Program	2016-WH-AX-0022	OVW	\$350,000
Total:			\$6,234,000

^a The DOJ's CTAS allows federally-recognized tribes and tribal consortia to submit a single application for most DOJ's tribal award programs.

Source: OJP and OVW

Our review covered drawdowns as of November 21, 2017. However, as of September 2018, Wiconi had drawn down \$3,146,755 of the total grant funds awarded. Our audit concentrated on, but was not limited to September 2012, the award date for Award Number 2012-TW-AX-0016, through May 2018, the conclusion of our audit work. Five of the 12 awards under our review were fully expended and closed, while 7 of the awards were on-going at the time of our review.

To accomplish our objectives, we tested compliance with what we consider to be the most important conditions of Wiconi's activities related to the audited awards. We performed sample-based audit testing for 2,261 award expenditures including payroll and fringe benefit costs, consulting costs, equipment costs, and other direct costs. We also reviewed performance reports, drawdown history, and financial status reports for the awards under our review. In this effort, we employed a judgmental sampling designed to obtain broad exposure to numerous facets of the awards reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. The Uniform Guidance for Federal Awards, DOJ Grants Financial Guide, and the award documents contain the primary criteria we applied during the audit.

During our audit, we obtained information from OJP's Grants Management System, as well as Wiconi's accounting system specific to the management of DOJ funds during the audit period. We did not test the reliability of those systems as a whole, therefore any findings identified involving information from those systems were verified with documentation from other sources. We discussed our audit results with Wiconi officials throughout the audit and at a formal exit conference.

APPENDIX 2

SCHEDULE OF DOLLAR-RELATED FINDINGS FOR THE OFFICE OF JUSTICE PROGRAMS AND THE OFFICE ON VIOLENCE AGAINST WOMEN

<u>Description</u>	<u>Amount</u>	<u>Page</u>
Questioned Costs:		
Erroneously Charged Payroll Costs	\$103,393	28
Erroneously Charged Consultant Costs	\$10,200	35
Erroneously Charged Other Direct Costs	\$33,977	44, 49, 56
Erroneously Charged Costs	\$147,570	
Unbudgeted Payroll Costs	\$29,959	28
Unbudgeted Consultant Costs	\$28,301	35
Unbudgeted Equipment Costs	\$7,220	41
Unbudgeted Other Direct Costs	\$77,782	44, 52
Unbudgeted Costs	\$143,262	
Unreasonable Consulting Costs	\$40,168	35
Unreasonable Other Direct Costs	\$33,275	44
Unreasonable Costs	\$73,443	
Consulting Costs Charged to Incorrect Award	\$2,144	35
Other Direct Costs Charged to Incorrect Award	\$13,922	44
Incorrect Award Costs	\$16,066	
Unallowable Retainer Fees	\$48,215	35
Excess Drawdowns	\$43,209	53, 55
Double Charged Costs	\$6,189	44
Matching Costs	\$80,396	52
Total Unallowable Costs	\$558,349	
Personnel and Fringe Benefits From Audit Testing	\$125,056	28
Consulting Costs	\$183,348	35
Equipment Costs	\$35,753	41

Other Direct Costs	\$292,290	44, 47
Matching Costs	\$86,538	52
Unreliable Personnel and Fringe Benefits	\$1,894,611	29
Unsuccessful Program Achievements:		
Award Number 2013-VR-GX-K025	\$450,000	60
Award Number 2013-VI-GX-K008	\$442,245	60
Award Number 2013-CY-AX-K020	\$255,474	60
Award Number 2013-TW-AX-0016	\$454,000	61
Award Number 2014-KT-AX-0007	\$80,409	62
Award Number 2015-WR-AX-0031	\$105,615	62
Award Number 2016-TW-AX-0024	\$72,200	63
Total Unsupported Costs	\$4,477,539	
<i>Gross Questioned Costs</i> ¹⁵	\$5,035,888	
Less Duplicate Questioned Costs ¹⁶	(2,148,295)	
Net Questioned Costs	\$2,887,594	
Funds to be put to Better Use: ¹⁷		
Unobligated Award Funds	\$96,768	55
Award Funds Not Used For Original Purpose	\$429,619	12
Duplicate Awards with Unsuccessful Program Achievements:		
Award Number 2014-KT-AX-0007	\$244,591	62
Award Number 2015-WR-AX-0031	\$444,385	62
Award Number 2016-TW-AX-0024	\$527,800	63
Total Funds to be put to Better Use	\$1,743,162	
TOTAL DOLLAR-RELATED FINDINGS	\$4,630,756	

¹⁵ **Questioned Costs** are expenditures that do not comply with legal, regulatory, or contractual requirements; are not supported by adequate documentation at the time of the audit; or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, or the provision of supporting documentation.

¹⁶ Some costs were questioned for more than one reason, and questioned in more than one area of review. Net questioned costs exclude the duplicated amount, as shown in Appendix 7, which identifies which areas of review had duplicated questioned costs.

¹⁷ **Funds to be put to Better Use** are future funds that could be used more efficiently if management took actions to implement and complete audit recommendations.

**NOTIFICATION OF LIMITED DATA COMPLIANCE
TO WICONI OFFICIALS¹⁸**



U.S. Department of Justice
Office of the Inspector General
Denver Regional Audit Office
1120 Lincoln, Suite 1500
Denver, Colorado 80203

August 16, 2017

Lisa Heth
Executive Director
Wiconi Wawokiya, Inc.
101 Red Horse Lodge Rd.
Fort Thompson, SD 57339-0049

Dear Ms. Heth:

On March 16, 2017, the Department of Justice (DOJ) Office of the Inspector General (OIG) initiated a review of 5 grants totaling \$2.76 million awarded to the Wiconi Wawokiya, Inc. by the Office of Justice Programs' (OJP) Office on Victims of Crime (OVC). On July 12, 2017 the OIG initiated a supplemental review of 7 grants totaling \$3.47 million awarded to Wiconi Wawokiya, Inc. by the Office on Violence Against Women (OVW).

According to the DOJ Grants Financial Guide, all recipients are required to establish and maintain accounting systems and financial records to accurately account for funds awarded to them. In addition, the recipient is responsible for establishing and maintaining an adequate system of accounting and internal controls. An acceptable and adequate accounting system:

1. Presents and classifies projected historical cost of the grant as required for budgetary and evaluation purposes;
2. Provides cost and property control to ensure optimal use of funds;
3. Controls funds and other resources to assure that the expenditure of funds and use of property conform to any general or special conditions that apply to the recipient; and
4. Meets the prescribed requirements for periodic financial reporting of operations.

¹⁸ Attachments to the notification were not included in this report.

Since March 16, 2017, we have made several documentation requests to Wiconi Wawokiya, Inc. officials. Because Wiconi Wawokiya, Inc. has not provided us with the critical records described in the attachment, we are unable to complete the audit of the following awards:

- OVC Award Number 2013-VR-GX-K025
- OVC Award Number 2013-VI-GX-K008
- OVC Award Number 2014-XV-BX-K029
- OVC Award Number 2015-VT-BX-K059
- OVC Award Number 2016-VR-GX-K014
- OVW Award Number 2012-TW-AX-0016
- OVW Award Number 2013-CY-AX-K020
- OVW Award Number 2013-TW-AX-0016
- OVW Award Number 2014-KT-AX-0007
- OVW Award Number 2015-WR-AX-0031
- OVW Award Number 2016-TW-AX-0024
- OVW Award Number 2016-WH-AX-0022

We request that Wiconi Wawokiya, Inc. provide the records described in the attachment in an auditable condition within 20 calendar days from the date of this memorandum. Once we have been provided notice that the records are ready for review within 20 days, we will resume our audit work in the areas outlined in the attachment. If the financial records are not presented in auditable form by September 5, 2017, we will issue a report questioning the amounts that could not be supported for each award listed above, totaling \$186,289. Please contact [REDACTED] via electronic mail (e-mail) at [REDACTED] once the records are ready for our review.

If you have any questions or need further information, please call me at 303-864-2000. Your cooperation is appreciated.

Sincerely,

/s/
David M. Sheeren
Regional Audit Manager

Attachment

cc: Jeffrey A. Haley
Deputy Director
Audit and Review Division
Office of Audit, Assessment, and Management
Office of Justice Programs

Linda J. Taylor
Lead Auditor
Audit Coordination Branch
Audit and Review Division
Office of Audit, Assessment, and Management
Office of Justice Programs

Rodney D. Samuels
Audit Liaison
Office on Violence Against Women

Donna Simmons
Associate Director
Grants Financial Management Unit
Office on Violence Against Women

Richard P. Theis
Assistant Director
Audit Liaison Group
Internal Review and Evaluation Office
Justice Management Division

MANAGEMENT ADVISORY MEMORANDUM
TO OJP AND OVW



U.S. Department of Justice

Office of the Inspector General

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December 21, 2017

MEMORANDUM FOR ALAN R. HANSON
PRINCIPAL DEPUTY ASSISTANT ATTORNEY GENERAL
OFFICE OF JUSTICE PROGRAMS

NADINE M. NEUFVILLE
DEPUTY DIRECTOR
GRANT DEVELOPMENT AND MANAGEMENT
OFFICE ON VIOLENCE AGAINST WOMEN

A handwritten signature in blue ink, appearing to read "Jason Malmstrom".

FROM: JASON R. MALMSTROM
ASSISTANT INSPECTOR GENERAL FOR AUDIT

SUBJECT: Notification of Concerns Identified during an Audit of
Department of Justice Cooperative Agreements Awarded
to Wiconi Wawokiya, Inc., Fort Thompson, South Dakota

Please note that this memorandum is marked Limited Official Use and is for official government purposes only. Therefore, care should be taken to properly safeguard the memorandum to protect the information from improper disclosure. While we have discussed with Wiconi our preliminary concerns identified in this memorandum, this information should not be shared with Wiconi unless expressly authorized by the OIG.

The purpose of this memorandum is to formally advise you of concerns identified during the course of our ongoing audit of five cooperative agreements awarded by the Office of Justice Programs (OJP) Office on Victims of Crime (OVC) and seven cooperative agreements awarded by the Office on Violence Against Women (OVW) to Wiconi Wawokiya, Inc. (Wiconi), totaling \$6.23 million. The primary purpose for this funding is to serve victims of domestic violence and sexual assault on the Crow Creek and Lower Brule Sioux Tribes near Fort Thompson, South Dakota.

Wiconi also receives Department of Justice (DOJ) funding as a subrecipient of other entities receiving grants from OJP's OVC and Office of

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Juvenile Justice and Delinquency Prevention (OJJDP).¹ In addition to DOJ funding, Wiconi receives federal assistance from other agencies, including the Department of Interior's Bureau of Indian Affairs and the Department of Health and Human Services. We believe the concerns expressed in this memorandum potentially apply to other government assistance awards.

We initiated this audit in March 2017. Although our audit has not concluded, we have identified significant concerns that we believe warrant both OJP and OVW's immediate attention. The concerns identified in this memorandum are preliminary, and new information provided by Wiconi may affect the audit results in our final report. These concerns include:

- Limited recipient compliance with OIG documentation requests.
- Weaknesses in Wiconi's financial management system, including inadequacies in the award accounting records.
- Inadequate internal controls that are repeatedly circumvented by Wiconi officials.
- Inadequate support of timely progress towards achieving grant goals and objectives.
- Duplicate reporting of victims served on semi-annual progress reports, which includes duplicates within each reporting period, as well as across multiple awards.
- Extensive concerns with more than \$680,000 in payroll costs charged to the OVC awards, as well as multiple concerns with over \$380,000 in other OVC direct costs.²

Previously, OJP officials informed us that the remaining funding under Wiconi's open and active DOJ awards had been placed on hold following the OIG advising OJP of some of these concerns, and that this hold prevents Wiconi from accessing any funding. Please advise us of any actions that OJP

¹ Wiconi receives Crime Victims Fund (CVF) victim assistance funding from the OVC through the State of South Dakota and also receives funding from OJJDP, as a subrecipient of the National Children's Alliance. Therefore, the OVC and OJJDP should advise, as appropriate its primary recipients – the State of South Dakota and the National Children's Alliance – of the concerns identified in this memorandum, recommending that they use the information for their management purposes and instructing them not share the information with Wiconi unless the OIG authorizes such disclosure.

² The \$380,000 in other OVC direct costs includes duplicative costs that we have taken issue with for more than one reason.

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and OVW have taken or intend to take that result in the release of these funds to Wiconi. We are continuing our audit of both OJP and OVW awards, and our final report will include any actions taken based on the concerns identified in this memorandum.

If you have any questions or would like to discuss the information in the memorandum, please contact me at (202) 616-4633, or David M. Sheeren, Regional Audit Manager, Denver Regional Audit Office, at (303) 335-4001.

cc: Scott Schools

Associate Deputy Attorney General

Matthew Sheehan
Counsel to the Deputy
Attorney General

Rachel K. Parker
Chief of Staff and Senior Counsel
Office of the Associate
Attorney General

Steve Cox
Deputy Associate Attorney General

Richard P. Theis
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Justice Management Division

Rodney D. Samuels
Audit Liaison
Office on Violence Against Women

Donna Simmons
Associate Director
Grants Financial Management Unit
Office on Violence Against Women

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Gloria L. Jarmon
Deputy Inspector General
for Audit Services
U.S. Department of Health
and Human Services
Office of the Inspector General

Kimberly Elmore
Assistant Inspector General for
Audits, Inspections, and Evaluations
U.S. Department of Interior
Office of the Inspector General

ANALYSIS OF DUPLICATION AND SIMILARITY OF AWARD GOALS AND OBJECTIVES

In the table below, we identify the objectives and applicable goals for each award under our review. We further discuss the objectives that were not met in the *Program Goals and Objectives* section of this report. We identify below whether or not the objectives listed for each award are duplicative or similar to other objectives that were created under other awards during the same time period. We list the duplicated award objectives in the final column of the table below.¹⁹

**Table 18
Award Goals and Objectives**

Objective	Activity or Goal	Duplicate or Similar?	Duplicated Award and Objective
<u>OJP Award Number 2013-VR-GX-K025</u>			
1. To provide treatment, counseling, advocacy, and other long and short term assistance for victims of Crime on Crow Creek and Lower Brule Reservations.	1. Provide 24/7 advocacy and emergency services to victims of crime.	Yes	2012-TW-AX-0016 Objective #1
	2. Inform community of services and assist with problems.		2013-TW-AX-0016 Objective #1
	3. Make victims aware of cultural activities available.		2014-KT-AX-0007 Objective #1, #3, & #4
	4. Consultants will provide training and technical assistance.		2015-WR-AX-0031 Objective #3
2. To provide substance abuse treatment options.	1. Provide substance abuse assessments and costs of in-patient treatment.	No	N/A
3. To provide for sexual assault forensic examinations and interviews by a trained sexual assault nurse examiner (SANE).	1. Contract with a SANE for on-call services.	No	N/A

¹⁹ We determined that some of the awards under our review were made to Wiconi under the same award program, but were awarded years apart. Therefore, the award objectives from the most recent award are the same or similar as the initial award objectives for the award program. This includes 2013-VR-GX-K025 when compared to 2016-VR-GX-K014, as well as 2012-TW-AX-0016 and 2013-TW-AX-0016 when compared to 2016-TW-AX-0024. As a result, we do not consider the award objectives created under the initial award duplicative when compared to the award objectives under the most recent award.

<u>OJP Award Number 2013-VI-GX-K008</u>		
1. To provide on-site, culturally sensitive medical examinations, forensic interviews, and advocacy to child victims.	No	N/A
2. To increase the number of child abuse cases that are investigated and successfully prosecuted.	No	N/A
3. To review and revise the tribal codes on child abuse for Crow Creek and Lower Brule.	Yes	2016-VR-GX-K014 Objective #5
4. To initiate a response to children who have unresolved issues of abuse.	No	N/A
5. To increase the number of perpetrators being held accountable for child abuse through public awareness, advocacy, and education.	Yes	2012-TW-AX-0016 Objective #4 2013-CY-AX-K020 Objective #4 & #5 2013-TW-AX-0016 Objective #3 2015-WR-AX-0031 Objective #4 2015-VT-BX-K059 Objective #4 2016-TW-AX-0024 Objective #2
6. To design program initiatives based on information gathered through a Community Needs Assessment.	Yes	2014-XV-BX-K029 Objective #2 2013-CY-AX-K020 Objective #1
7. To provide training to law enforcement, advocates, and community members on child abuse, brain injury, and shaken baby syndrome.	Yes	2014-XV-BX-K029 Objective #5 2015-VT-BX-K059 Objective #3 2015-WR-AX-0031 Objective #1 2016-TW-AX-0024 Objective #4
<u>OJP Award Number 2014-XV-BX-K029</u>		
1. To assess the needs of crime victims on the Crow Creek Reservation.	Yes	2013-CY-AX-K020 Objective #1 2013-VI-GX-K008 Objective #6
2. To review needs assessment and identify gaps in services.	Yes	See Objective #1
3. To design the policies, procedures, and protocols needed for Wicozani Waste.	No	N/A

4. To secure adequate office space for Wicozani Waste.		No	N/A
5. To provide for training on trauma informed services.		Yes	2013-VI-GX-K008 Objective #7 2015-VT-BX-K059 Objective #3 2015-WR-AX-0031 Objective #1 2016-TW-AX-0024 Objective #4
6. To present information to the community on services at Wicozani Waste.		No	N/A
<u>OJP Award Number 2015-VT-BX-K059</u>			
1. To provide direct services that are victim-centered and trauma informed with individualized service plans.	1. To increase by 35% the number of trafficking victims served.	No	N/A
2. To develop protocols and procedures that will enhance a coordinated response to trafficking victims.	2. To develop a model protocol for a coordinated response that can be used in rural areas and on tribal lands.	No	N/A
3. To provide for training of advocates and law enforcement.	3. To provide training to 40 advocates, and 15 law enforcement officers.	Yes	2013-VI-GX-K008 Objective #7 2014-XV-BX-K029 Objective #5 2015-WR-AX-0031 Objective #1 2016-TW-AX-0024 Objective #4
4. To provide activities for public awareness.	4. To provide public awareness brochures to 50 service agencies and law enforcement officers.	Yes	2012-TW-AX-0016 Objective #4 2013-VI-GX-K008 Objective #4 & #5 2013-CY-AX-K020 Objective #5 2013-TW-AX-0016 Objective #3 2015-WR-AX-0031 Objective #4 2016-TW-AX-0024 Objective #2

5. To provide for an evaluation of the project.	5. To develop an evaluation plan that can foster improvement.	No	N/A
<u>OJP Award Number 2016-VR-GX-K014</u>			
1. To provide treatment, counseling, advocacy, and other long and short term assistance for victims of Crime on Crow Creek and Lower Brule Reservations.		Yes	2014-KT-AX-0007 Objective #1 & #3 2015-WR-AX-0031 Objective #3 2016-TW-AX-0024 Objective #1
2. To provide for sexual assault forensic examinations by a trained Sexual Assault Nurse Examiner (SANE).		No	N/A
3. To provide substance abuse treatment options.		No	N/A
4. To provide specialized advocacy for the elders on the reservation.		No	N/A
5. To revise tribal code to include language on elder abuse and to include drug endangerment of youth, electronic threats, stalking, harassment, and assault.		Yes	2013-VI-GX-K008 Objective #3
<u>OVW Award Number 2012-TW-AX-0016</u>			
1. To provide treatment, counseling, advocacy, and other long and short term assistance to adult and minor victims of sexual assault, domestic violence, dating violence, and stalking.		Yes	2013-VR-GX-K025 Objective #1 2013-TW-AX-0016 Objective #1 2014-KT-AX-0007 Objective #1 & #3 2015-WR-AX-0031 Objective #3
2. To provide legal advocacy with a trained legal advocate.		Yes	2013-TW-AX-0016 Objective #2
3. To provide transitional housing for women and their children who need long-term housing in a safe environment.		No	N/A
4. To provide for public awareness and education for other agencies in the community.		Yes	2013-VI-GX-K008 Objective #5 2013-CY-AX-K020 Objective #4 & #5 2013-TW-AX-0016 Objective #3 2015-VT-BX-K059 Objective #4 2015-WR-AX-0031 Objective #4
<u>OVW Award Number 2013-CY-AX-K020</u>			
1. To conduct a community survey and assessment of Ft. Thompson, Crow Creek, and Big Bend Districts.		Yes	2014-XV-BX-K029 Objective #1 & 2 2013-VI-GX-K008 Objective #6

2. To conduct a three-day summer camp for 12 boys and hold a baseball camp for 15 boys each summer of the grant.	No	N/A	
3. To give six presentations in the schools using material designed for engaging boys in stopping violence against girls.	No	N/A	
4. To create a public service announcement and paid radio spot by boys and adult men to be broadcasted each month during the award period.	No	N/A	
5. To place posters and brochures throughout the reservation.	Yes	2012-TW-AX-0016 Objective #4 2013-VI-GX-K008 Objective #5 2013-TW-AX-0016 Objective #3 2015-VT-BX-K059 Objective #4 2015-WR-AX-0031 Objective #4 2016-TW-AX-0024 Objective #2	
6. To have six adult men participate as mentors to boys by mentoring youth and teaching culture at the camp.	No	N/A	
7. To hold a Warrior in Wellness program for adult men and young boys each year of the award.	No	N/A	
8. To hold a monthly Inipi ceremony for boys 12 to 18 that wish to attend.	No	N/A	
<i>OVW Award Number 2013-TW-AX-0016</i>			
1. To provide treatment, counseling, advocacy, and other long and short term assistance to adult and minor victims of sexual assault, domestic violence, dating violence, and stalking in our communities, which includes Crow Creek and Lower Brule Reservations, as well as the Chamberlain, SD area.	1. Hire additional advocate at Project SAFE and Missouri Valley Crisis Center and provide training to new advocates and law enforcement.	Yes	2012-TW-AX-0016 Objective #1 2013-VR-GX-K025 Objective #1 2014-KT-AX-0007 Objective #1 - #3 2015-WR-AX-0031 Objective #3
	2. Inform women of services available.		
	3. Make women aware of cultural activities.		
2. To provide legal advocacy with an attorney.	1. Contract with an attorney to provide legal assistance.	Yes	2012-TW-AX-0016 Objective #2
	2. Provide for specialized legal training as needed to keep advocates aware of changes in law.		

3. To provide for public awareness and education for other agencies in the community and in the schools.	1. Plan and initiate public awareness events and provide for training as needed.	Yes	2012-TW-AX-0016 Objective #4 2013-VI-GX-K008 Objective #5 2013-CY-AX-K020 Objective #4 & #5 2015-VT-BX-K059 Objective #4 2015-WR-AX-0031 Objective #4
<u>O VW Award Number 2014-KT-AX-0007</u>			
1. To enhance services with addition of sexual assault advocate/coordinator at Wiconi.		Yes	2012-TW-AX-0016 Objective #1 2013-VR-GX-K025 Objective #1 2013-TW-AX-0016 Objective #1 2015-WR-AX-0031 Objective #3 2016-TW-AX-0024 Objective #1 2016-VR-GX-K014 Objective #1
2. To expand services to survivors through Missouri Valley Crisis Center.		Yes	2013-TW-AX-0016 Objective #1
3. To promote the healing of survivors by providing counseling services.		Yes	2012-TW-AX-0016 Objective #1 2013-VR-GX-K025 Objective #1 2013-TW-AX-0016 Objective #1 2015-WR-AX-0031 Objective #3 2016-TW-AX-0024 Objective #1 2016-VR-GX-K014 Objective #1
4. To provide additional healing through traditional ceremonies/projects.		Yes	2013-VR-GX-K025 Objective #1 Activity #3

OVW Award Number 2015-WR-AX-0031

<p>1. To provide training and resources to health care representatives in Lower Brule.</p>	<p>Yes</p>	<p>2013-VI-GX-K008 Objective #7 2014-XV-BX-K029 Objective #5 2015-VT-BX-K059 Objective #3 2016-TW-AX-0024 Objective #4</p>
<p>2. To work with Lower Brule to educate the citizens on issues of violence against women.</p>	<p>Yes</p>	<p>See Objective #4</p>
<p>3. To provide enhanced advocacy, counseling, and related services to the victims of sexual assault, domestic violence, stalking, and dating violence to the Lower Brule Reservation.</p>	<p>Yes</p>	<p>2012-TW-AX-0016 Objective #1 2013-VR-GX-K025 Objective #1 2013-TW-AX-0016 Objective #1 2014-KT-AX-0007 Objective #1 & #3 2016-TW-AX-0024 Objective #1 2016-VR-GX-K014 Objective #1</p>
<p>4. To provide for public community awareness events.</p>	<p>Yes</p>	<p>2012-TW-AX-0016 Objective #4 2013-VI-GX-K008 Objective #5 2013-CY-AX-K020 Objective #5 2013-TW-AX-0016 Objective #3 2015-VT-BX-K059 Objective #4 2016-TW-AX-0024 Objective #2</p>
<p>5. To work in cooperation with the court in Lower Brule for establishing a court ordered and monitored offenders' education program that incorporates Lakota/Dakota traditions and customs.</p>	<p>No</p>	<p>N/A</p>

<u>OVW Award Number 2016-TW-AX-0024</u>		
1. To provide treatment, counseling, advocacy, and other long and short term assistance to adult and minor victims of sexual assault, domestic violence, dating violence, and stalking in our communities.	Yes	2014-KT-AX-0007 Objective #1 & #3 2015-WR-AX-0031 Objective #3 2016-VR-GX-K014 Objective #1
2. To provide for public awareness and prevention education in the community and in the schools to inform people about the issues of violence against women.	Yes	2013-VI-GX-K008 Objective #5 2013-CY-AX-K020 Objective #5 2015-VT-BX-K059 Objective #4 2015-WR-AX-0031 Objective #4
3. To provide resources, information, and training to agencies on the provision of services to underserved populations based on disability, sexual orientation, and gender identity.	No	N/A
4. To provide training to staff and community agencies.	Yes	2013-VI-GX-K008 Objective #7 2014-XV-BX-K029 Objective #5 2015-WR-AX-0031 Objective #1 2015-VT-BX-K059 Objective #3
5. To ensure quality control through data collection, evaluation, development of policies and procedures, meetings for planning and supervision, and reporting.	No	N/A
<u>OVW Award Number 2016-WH-AX-0022</u>		
1. To provide transitional housing for six to nine survivors in a rural jurisdiction.	No	N/A
2. To enhance accessibility to transitional housing survivors with a broad range of culturally sensitive services for Native and non-Native women of color.	No	N/A
3. To provide opportunities for additional education, job training, interpretive services, counseling and parenting skill development.	No	N/A

Source: OJP, OVW, and Wiconi

OVERVIEW OF WICONI CONSULTANTS

Contracted Accounting Firm: Wiconi uses a contracted accounting firm to enter its bookkeeping information. Therefore, the accounting firm has the responsibility of accounting, processing checks, and processing payroll. Wiconi uses quarterly reports from this contractor to complete the award FFRs. The contract states that Wiconi will pay the vendor \$850 per month for monthly bookkeeping.

Contracted Auditor: Wiconi contracted with an auditor to satisfy its single audit requirement in FY 2014 through 2016. The initial contract signed by this vendor was signed in 2016 and stated that the cost of the single audit for FY 2014 and FY 2015 would be \$11,750. A supplemental contract was signed in 2017 and did not identify a cost of the single audit for FY 2016.

Tribal Partner: Wiconi contracted with a local tribe for a criminal investigator to work out of the police department and to work under the Chief of Police. The award documentation states that the purpose of the contractor was to investigate child abuse cases in the area.

Technical Assistance Providers: We identified various Technical Assistance (TA) providers that have conducted different types of grant-related work. The award documentation states that these activities include assistance on policies and procedures, grant management, general personnel management, fiscal reporting, executing grant activities, gathering statistical information, creating forms, and conducting a community needs assessment, which includes implementing focus groups, surveys, and evaluations. The award documentation also states that Wiconi contracted with a consultant to update Tribal Codes on child abuse.

Treatment Consultants: We identified dozens of consultants used during Wiconi's direct treatment sessions. The consultants used during the treatment were contracted for a variety of purposes, including: (1) medical services and counseling; (2) security and labor; (3) cultural consulting; (4) childcare; and (5) food preparation.

Other (Cultural & Training Consultants): Consultants under this category include individuals with medical backgrounds, cultural or traditional backgrounds, and those familiar with domestic violence and sexual assault. The award documentation states that consultants were to provide training to community agency staff and advocates on elder abuse, crime victim's compensation, advocacy and other issues. The award documentation also states that a training consultant (i.e. medical doctor) was to conduct community awareness forums and training for advocates to include child physical and sexual abuse, traumatic brain injury in children, and shaken baby syndrome. Finally, the award documentation stated that contracted camp mentors were to work with men and boys to combat violence against women, as well as community presenters for public awareness.

APPENDIX 7

ANALYSIS OF DUPLICATED QUESTIONED COSTS

	Gross Questioned Costs	Duplicate Costs (Already Questioned in Other Analysis)	Net Questioned Costs	Page Number in Report
OVC Payroll Costs	\$830,663.12	\$150,456.54	\$680,206.58	29
OVW Payroll Costs	\$1,322,356.26	\$107,951.81	\$1,214,404.45	29
OVC Consulting Costs	\$242,256.36	\$101,614.44	\$140,641.92	35
OVW Consulting Costs	\$42,986.92	\$16,957.62	\$26,029.30	35
OVC Additional Consulting Costs	\$26,831.68	\$0.00	\$26,831.68	35
OVW Additional Consulting Costs	\$300.00	\$0.00	\$300.00	35
OVC Equipment Costs	\$919.98	\$0.00	\$919.98	41
OVW Equipment Costs	\$42,052.62	\$6,620.00	\$35,432.62	41
OVC Other Direct Costs	\$144,199.34	\$28,599.07	\$115,600.27	44
OVW Other Direct Costs	\$143,367.38	\$23,664.77	\$119,702.61	44
OVC Credit Card & Local Store Costs	\$82,251.00	\$53,120.41	\$29,130.59	47
OVW Credit Card & Local Store Costs	\$54,879.87	\$22,353.03	\$32,526.84	47
OVC Additional Other Direct Costs	\$4,035.97	\$43.64	\$3,992.33	44
OVW Additional Other Direct Costs	\$4,688.44	\$46.72	\$4,641.72	44
OVC Drawdown Costs	\$15,560.02	\$0.00	\$15,560.02	55
OVW Drawdown Costs	\$27,648.66	\$0.00	\$27,648.66	53
OVC Special Condition Violation	\$3,438.44	\$3,288.44	\$150.00	49
OVC 10 Percent Rule Violation	\$16,514.00	\$0.00	\$16,514.00	52
OVC Matching Costs	\$166,933.50	\$80,395.93	\$86,537.57	52
OVW Post-Award Spending Costs	\$4,060.52	\$3,862.52	\$198.00	56
Program Costs for OVC Award No. 2013-VR-GX-K025	\$450,000.00	\$437,021.39	\$12,978.61	60
Program Costs for OVC Award No. 2013-VI-GX-K008	\$442,245.15	\$368,189.93	\$74,055.22	60
Program Costs for OVW Award No. 2013-CY-AX-K020	\$255,474.16	\$229,627.42	\$25,846.74	60
Program Costs for OVW Award No. 2013-TW-AX-0016	\$454,000.00	\$389,519.29	\$64,480.71	61
Program Costs for OVW Award No. 2014-KT-AX-0007	\$80,408.80	\$52,386.31	\$28,022.49	62
Program Costs for OVW Award No. 2015-WR-AX-0031	\$105,615.44	\$54,886.31	\$50,729.13	62
Program Costs for OVW Award No. 2016-TW-AX-0024	\$72,200.44	\$17,688.94	\$54,511.50	63
Total:	\$5,035,888.07	\$2,148,294.53	\$2,887,593.54	76

Source: OIG Analysis of Wiconi Costs

APPENDIX 8

TRANSACTION TESTING DETAIL BY AWARD

<u>OVC Award Number 2013-VR-GX-K025</u>		
		Examples of Costs Questioned
<i>Personnel Costs</i>		
Erroneously Charged Costs	\$17,884.01	Erroneous personnel allocations or calculations.
Unbudgeted Costs	\$11,188.03	Unbudgeted employees not working on project.
Unsupported Costs	\$29,105.11	Missing or inadequate time and efforts.
<i>Consultant Costs</i>		
Erroneously Charged Costs	\$9,357.88	Incorrect or over-charged consultant rates or mileage and per diem reimbursements.
Unbudgeted Costs	\$9,943.64	Unbudgeted TA providers, cultural consultants.
Unreasonable Costs	\$40,167.70	Excessive payments to treatment consultants.
Costs Charged to the Incorrect Award	\$1,444.00	Payments to consultants for a different project.
Unallowable Retainer Fees	\$30,669.18	TA and treatment consultants paid prior to services.
Unsupported Costs	\$47,775.33	Missing or inadequate contracts, time and efforts, and work products.
<i>Other Direct Costs</i>		
Erroneously Charged Costs	\$13,826.73	Prohibited costs, such as tobacco and rent payments on a building owned by Wiconi.
Unbudgeted Costs	\$19,970.96	Travel costs to Palm Springs, CA for TA providers.
Unreasonable Costs	\$28,302.40	Excessive food, fuel, and travel costs for treatment.
Costs Charged to the Incorrect Award	\$7,153.75	Food, fuel, and travel costs charged to the wrong project.
Costs Double Charged to the Award	\$4,435.38	Hotel in Palm Springs, CA.
Unsupported Costs	\$46,218.99	Missing or inadequate invoices and travel forms.
<i>Additional Direct Costs</i>		
Unbudgeted Costs	\$4,366.50	Accounting services, building insurance, and video streaming subscription.
<i>Specific Credit Card & Local Store Costs</i>		
Unsupported Costs	\$60,608.23	All specific credit card & local store costs.
<i>10 Percent Rule Violation</i>		
Unbudgeted Costs	\$16,514.00	Costs that violate 10 percent rule.
Total Unsupported Costs:	\$183,707.66	
Total Unallowable Costs:	\$215,224.16	

<u>OVC Award Number 2013-VI-GX-K008</u>		
		Examples of Costs Questioned
<i>Personnel Costs</i>		
Erroneously Charged Costs	\$14,434.05	Erroneous personnel allocations or calculations.
Unbudgeted Costs	\$7,512.31	Unbudgeted employees not working on project.
Unsupported Costs	\$31,272.91	Missing or inadequate time and efforts.
<i>Consultant Costs</i>		
Erroneously Charged Costs	\$65.08	Incorrect or over-charged consultant rates or mileage and per diem reimbursements.
Unbudgeted Costs	\$4,649.81	Unbudgeted TA providers, cultural consultants.
Unallowable Retainer Fees	\$8,216.75	TA and treatment consultants paid prior to services.
Unsupported Costs	\$80,196.30	Inadequate time and efforts and no work product provided for child abuse investigator.
<i>Equipment Costs</i>		
Unsupported Costs	\$919.98	Computer for investigator with no work product.
<i>Other Direct Costs</i>		
Erroneously Charged Costs	\$1,610.15	Prohibited costs, such as tires for an unrelated vehicle.
Unbudgeted Costs	\$7,611.52	Unbudgeted promotional items and travel costs.
Costs Charged to the Incorrect Award	\$6.62	Copier costs allocated to the wrong project.
Unsupported Costs	\$4,622.74	Missing or inadequate invoices and travel forms.
<i>Additional Direct Costs</i>		
Unbudgeted Costs	\$1,236.15	Building insurance, and video streaming subscription.

Unreasonable Costs	\$305.00	Excess hotel costs.
Unsupported Costs	\$24,960.00	Remaining child abuse investigator payments.
<i>Specific Credit Card & Local Store Costs</i>		
Unsupported Costs	\$8,079.49	All specific credit card & local store costs.
<i>Drawdowns</i>		
Unallowable Excess Drawdowns	\$15,560.00	Difference between final drawdown amount and amount reported as spent on final FFR.
<i>Special Condition Violation</i>		
Unallowable Early Spending	\$3,288.44	Personnel spending prior to OJP approval.
Total Unsupported Costs:	\$150,051.42	
Total Unallowable Costs:	\$64,495.88	

<u>OVC Award Number 2014-XV-BX-K029</u>		
<i>Personnel Costs</i>		Examples of Costs Questioned
Erroneously Charged Costs	\$8,785.47	Erroneous personnel allocations or calculations.
Unsupported Costs	\$21,994.84	Missing or inadequate time and efforts.
<i>Consultant Costs</i>		
Unbudgeted Costs	\$1,200.00	Consulting fee for a TA provider to attend trip to CA.
Unallowable Retainer Fees	\$2,200.00	TA provider and contract auditor paid prior to services.
Unsupported Costs	\$5,200.00	Missing or inadequate contracts, time and efforts, and work products.
<i>Other Direct Costs</i>		
Erroneously Charged Costs	\$290.89	Incorrect or over-charged mileage/per diem costs.
Unbudgeted Costs	\$3,677.60	Travel costs for employees not working on project.
Unsupported Costs	\$1,441.42	Missing or inadequate invoices and travel forms.
<i>Specific Credit Card & Local Store Costs</i>		
Unsupported Costs	\$9,351.99	All specific credit card & local store costs.
<i>Special Condition Violation</i>		
Unallowable Early Spending	\$150.00	Training materials purchased prior to OJP approval.
Total Unsupported Costs:	\$37,988.25	
Total Unallowable Costs:	\$16,303.96	

<u>OVC Award Number 2015-VT-BX-K059</u>		
<i>Personnel Costs</i>		Examples of Costs Questioned
Erroneously Charged Costs	\$1,003.89	Erroneous personnel allocations or calculations.
Unsupported Costs	\$2,428.76	Missing or inadequate time and efforts.
<i>Consultant Costs</i>		
Unsupported Costs	\$120.69	Missing invoice for accounting services.
<i>Other Direct Costs</i>		
Erroneously Charged Costs	\$111.00	Incorrectly charged travel costs.
Unbudgeted Costs	\$384.61	Travel costs not included in approved budget.
Unsupported Costs	\$2,096.05	Missing flight, baggage, hotel, and taxi receipts.
<i>Specific Credit Card & Local Store Costs</i>		
Unsupported Costs	\$2,678.73	All specific credit card & local store costs.
Total Unsupported Costs:	\$7,324.23	
Total Unallowable Costs:	\$1,499.50	

<u>OVC Award Number 2016-VR-GX-K014</u>		
<i>Personnel Costs</i>		Examples of Costs Questioned
Erroneously Charged Costs	\$3,499.12	Erroneous personnel allocations or calculations.
Unbudgeted Costs	\$53.84	Unbudgeted fringe from incentive award.
Unsupported Costs	\$1,294.20	Missing or inadequate time and efforts.
<i>Consultant Costs</i>		
Unsupported Costs	\$300.00	Missing invoice for accounting services.
<i>Other Direct Costs</i>		
Unbudgeted Costs	\$918.60	Items, such as a bible, rental space, and comp. repairs.
Costs Charged to the Incorrect Award	\$385.15	Rental space and computer repairs allocated to the wrong project.

Unsupported Costs	\$1,114.78	Missing or inadequate receipts for diapers and fuel.
<i>Specific Credit Card & Local Store Costs</i>		
Unsupported Costs	\$1,532.57	All specific credit card & local store costs.
Total Unsupported Costs:	\$4,241.55	
Total Unallowable Costs:	\$4,856.71	

<u>OVW Award Number 2012-TW-AX-0016</u>		
		Examples of Costs Questioned
<i>Personnel Costs</i>		
Erroneously Charged Costs	\$16,629.62	Erroneous personnel allocations or calculations.
Unbudgeted Costs	\$7,452.97	Unbudgeted employees not working on project.
Unsupported Costs	\$5,716.15	Missing or inadequate time and efforts.
<i>Consultant Costs</i>		
Erroneously Charged Costs	\$26.83	Over-charged per diem costs.
Unbudgeted Costs	\$8,901.75	Unbudgeted spiritual healing and TA providers.
Unallowable Retainer Fees	\$4,117.50	TA consultants paid prior to services.
Unsupported Costs	\$15,336.68	Missing or inadequate contracts, time and efforts, and work products.
<i>Equipment Costs</i>		
Unbudgeted Costs	\$6,620.00	An unbudgeted security system.
Unsupported Costs	\$34,832.63	Missing or inadequate invoices for two computers, a vehicle, and a security system.
<i>Other Direct Costs</i>		
Erroneously Charged Costs	\$10,227.48	Excess rent payments and over-charged travel costs.
Unbudgeted Costs	\$6,988.63	Unbudgeted items, such as window sensors, overdraft fees, and travel costs for employees.
Unreasonable Costs	\$1,224.07	Avoidable travel costs that should have been reimbursed by a DV or SA coalition.
Costs Charged to the Incorrect Award	\$3,178.53	Shelter supplies allocated to the wrong project.
Costs Double Charged to the Award	\$1,500.00	Rent payments.
Unsupported Costs	\$64,905.79	Missing or inadequate receipts, invoices, travel documentation, and lease agreements.
<i>Additional Direct Costs</i>		
Unbudgeted Costs	\$222.21	Additional overdraft charges.
<i>Specific Credit Card & Local Store Costs</i>		
Unsupported Costs	\$8,383.77	All specific credit card & local store costs.
<i>Drawdowns</i>		
Unallowable Excess Drawdowns	\$11,805.00	Difference between drawdowns and expenditures.
Total Unsupported Costs:	\$129,175.02	
Total Unallowable Costs:	\$78,894.59	

<u>OVW Award Number 2013-CY-AX-K020</u>		
		Examples of Costs Questioned
<i>Personnel Costs</i>		
Erroneously Charged Costs	\$8,415.89	Erroneous personnel allocations or calculations.
Unbudgeted Costs	\$415.55	Fringe benefits paid to employees outside of budget time period.
Unsupported Costs	\$17,139.43	Missing or inadequate time and efforts.
<i>Consultant Costs</i>		
Unbudgeted Costs	\$1,159.02	Unbudgeted summer camp and TA consultants.
Unallowable Retainer Fees	\$1,811.00	Summer camp consultants paid prior to services.
Unsupported Costs	\$6,193.94	Camp consultants with missing or inadequate contracts, time and efforts, and work products.
<i>Equipment Costs</i>		
Unbudgeted Costs	\$599.99	An unbudgeted projector.
<i>Other Direct Costs</i>		
Erroneously Charged Costs	\$255.21	Over-charged hotel and per diem costs.
Unbudgeted Costs	\$4,055.38	Unbudgeted items, such internet for the shelter, food for a baseball tournament, and travel costs.

Unreasonable Costs	\$1,102.95	Unnecessary travel costs for non-relevant training and reimbursements to a personal credit card.
Unsupported Costs	\$7,676.40	Missing or inadequate invoices and travel forms.
<i>Additional Direct Costs</i>		
Unbudgeted Costs	\$2,495.68	Additional overdraft charges and shelter utilities.
<i>Specific Credit Card & Local Store Costs</i>		
Unsupported Costs	\$5,002.05	All specific credit card & local store costs.
<i>Post-Award Spending Costs</i>		
Unallowable Post-Award Spending	\$4,060.52	Costs incurred after the project period end date.
Total Unsupported Costs:	\$36,011.82	
Total Unallowable Costs:	\$24,391.19	

OVW Award Number 2013-TW-AX-0016		Examples of Costs Questioned
<i>Personnel Costs</i>		
Erroneously Charged Costs	\$23,416.01	Erroneous personnel allocations or calculations.
Unbudgeted Costs	\$2,405.75	Unbudgeted employees not working on project.
Unsupported Costs	\$6,261.50	Missing or inadequate time and efforts.
<i>Consultant Costs</i>		
Unbudgeted Costs	\$125.00	Unbudgeted lawn care consultants.
Unallowable Retainer Fees	\$1,200.10	TA providers paid prior to services.
Costs Charged to the Incorrect Award	\$700.00	Accounting services allocated to the wrong project.
Unsupported Costs	\$3,115.10	Missing or inadequate contracts, time and efforts, and work products.
<i>Other Direct Costs</i>		
Erroneously Charged Costs	\$120.75	Over-charged mileage and per diem expenses.
Unbudgeted Costs	\$6,169.54	Unbudgeted items, such as promotional items, travel costs for employees, and overdraft fees.
Unreasonable Costs	\$2,083.40	Travel costs that should have been reimbursed by a DV or SA coalition, as well as travel costs that could have been avoided with use of the shelter van.
Costs Charged to the Incorrect Award	\$488.88	Training fees allocated to the wrong project.
Unsupported Costs	\$19,603.54	Missing or inadequate invoices, and travel forms.
<i>Additional Direct Costs</i>		
Unbudgeted Costs	\$1,801.22	Additional overdraft charges and storage units.
<i>Specific Credit Card & Local Store Costs</i>		
Unsupported Costs	\$31,201.47	All specific credit card & local store costs.
<i>Drawdowns</i>		
Unallowable Excess Drawdowns	\$15,844.00	Difference between drawdowns and expenditures.
Total Unsupported Costs:	\$60,181.61	
Total Unallowable Costs:	\$54,354.65	

OVW Award Number 2014-KT-AX-0007		Examples of Costs Questioned
<i>Personnel Costs</i>		
Erroneously Charged Costs	\$3,844.05	Erroneous personnel allocations or calculations.
Unbudgeted Costs	\$0.00	Unbudgeted employees not working on project.
Unsupported Costs	\$4,458.67	Missing or inadequate time and efforts.
<i>Other Direct Costs</i>		
Erroneously Charged Costs	\$18.78	Over-charged mileage and per diem expenses.
Unbudgeted Costs	\$813.40	Unbudgeted rental space and travel costs.
Unsupported Costs	\$2,076.36	Missing or inadequate invoices, and travel forms.
<i>Additional Direct Costs</i>		
Unbudgeted Costs	\$49.46	Additional overdraft charges.
Unreasonable Costs	\$66.00	Excess hotel costs.
<i>Specific Credit Card & Local Store Costs</i>		
Unsupported Costs	\$5,325.89	All specific credit card & local store costs.
Total Unsupported Costs:	\$11,860.92	
Total Unallowable Costs:	\$4,791.69	

<u>OVW Award Number 2015-WR-AX-0031</u>		
		Examples of Costs Questioned
<i>Personnel Costs</i>		
Erroneously Charged Costs	\$2,658.44	Erroneous personnel allocations or calculations.
Unbudgeted Costs	\$684.65	Unbudgeted employees not working on project.
Unsupported Costs	\$3,104.49	Missing or inadequate time and efforts.
<i>Consultant Costs</i>		
Unbudgeted Costs	\$150.00	Unbudgeted consultant costs for food preparation.
Unsupported Costs	\$150.00	Inadequate contract and time and effort.
<i>Other Direct Costs</i>		
Erroneously Charged Costs	\$17.48	Over-charged mileage and per diem expenses.
Unbudgeted Costs	\$1,819.44	Travel costs to Tampa, FL for unbudgeted employee.
Unreasonable Costs	\$144.55	Avoidable travel costs that could have been eliminated with use of the shelter van.
Costs Charged to the Incorrect Award	\$2,105.13	Travel costs allocated to the wrong project.
Costs Double Charged to the Award	\$253.22	Travel costs to Sloan, IA and parking fees.
Unsupported Costs	\$1,629.39	Missing or inadequate invoices and travel forms.
<i>Additional Direct Costs</i>		
Unbudgeted Costs	\$306.84	Unbudgeted shelter utilities and travel costs.
<i>Specific Credit Card & Local Store Costs</i>		
Unsupported Costs	\$3,156.94	All specific credit card & local store costs.
Total Unsupported Costs:	\$8,040.82	
Total Unallowable Costs:	\$8,139.75	

<u>OVW Award Number 2016-TW-AX-0024</u>		
		Examples of Costs Questioned
<i>Personnel Costs</i>		
Erroneously Charged Costs	\$2,741.87	Erroneous personnel allocations or calculations.
Unbudgeted Costs	\$246.11	Fringe benefits paid to employees outside of budget time period.
Unsupported Costs	\$62.70	Missing or inadequate time and efforts.
<i>Other Direct Costs</i>		
Unbudgeted Costs	\$552.14	Video streaming subscription, fuel, and travel costs.
Costs Charged to the Incorrect Award	\$507.83	Supplies.
Unsupported Costs	\$3,251.44	Missing or inadequate invoices and travel forms.
<i>Additional Direct Costs</i>		
Unreasonable Costs	\$47.03	Newspaper subscriptions.
<i>Specific Credit Card & Local Store Costs</i>		
Unsupported Costs	\$1,809.75	All specific credit card & local store costs.
Total Unsupported Costs:	\$5,123.89	
Total Unallowable Costs:	\$4,094.98	

<u>OVW Award Number 2016-WH-AX-0022</u>		
		Examples of Costs Questioned
<i>Personnel Costs</i>		
Erroneously Charged Costs	\$80.34	Erroneous personnel allocations.
Unsupported Costs	\$2,217.65	Missing or inadequate support for fringe benefits.
<i>Other Direct Costs</i>		
Costs Charged to the Incorrect Award	\$95.81	Supplies allocated to the wrong project.
Unsupported Costs	\$501.83	Missing travel documentation.
Total Unsupported Costs:	\$2,719.48	
Total Unallowable Costs:	\$176.15	

**WICONI WAWOKIYA, INC.
RESPONSE TO THE DRAFT AUDIT REPORT**



Wiconi Wawokiya, Inc.

PO Box 49
Fort Thompson, SD 57339

January 21, 2019

WICONI WAWOKIYA, INC. REPOSE TO OIG AUDIT

Table 3: Audit states that children were counted for the same gas voucher or services as the parent and that this is a duplication and an over count.

Response: Under the DASA program by the State of South Dakota we are required to count the children. This is not a duplication of services or an over count but a requirement by our funder.

Table 4: Audit states that performance metrics were not properly documented with inadequate records of attendance at awareness activities.

Response: Wiconi has a binder that is kept on all activities provided with sign in sheets. Records of all activities are in place now.

2013 Tribal Victim Assistance (2013-VR-GX-K025): Audit states that no forensic exams were conducted; no advertisements for hiring a SANE nurse; unbudgeted travel costs to Indian Nations; and no addiction treatment.

Response: There had been no forensic exams due to criminal investigator referring victims to other CAC's. TVA Coordinator did not advertise and was collaborating with agencies to contract with their staff. An addiction treatment was provided for both men and women two times for each. As far as travel cost to Indian Nations in this grant there were travel funds. The travel budget was this grant was \$44,548 with around \$21,470 to attend conferences and Indian Nations was one of the conferences that was mandated. However, the travel cost for the entire budget spent was \$48,293.20 that included local travel/training. A GAN was done by the coordinator decreasing travel funds from \$44,548 to \$27,460 and somehow did not realize the travel was over budget. The GAN was not approved until 1/26/17 after the grant ended. The administrative assistant who was employed at the time was only going by what was in the original approved budget.

2013 Children's Justice Act (2013-VI-GX-K008): Audit states no work product from the child abuse investigator; unbudgeted costs for tires, building insurance, [REDACTED] hotel costs, promotional items and travel. No tribal code revisions.

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Response: The child abuse investigator was a contracted position and was employed under the tribe. The investigator had to have an extensive background before DSS and BIA LE would work with the tribe. This background took over a year to complete due to BIA losing the background information. The tribe and Wiconi were working with State DSS in trying to get them to send all their reports of child abuse to the investigator. The state would not cooperate as well as the BIA LE. The purpose of this position was to take cases that were not being prosecuted in federal court and prosecute perpetrators in tribal court. The child abuse investigator did attend MDT meetings and provided some trainings. Tires for the van were approved in the budget under "Other" as vehicle maintenance. Building insurance should have been budgeted in this grant since all staff was housed in the CAC, however it was not and this was an oversight. [REDACTED] should have not come out of this grant and should have come out of donations. Hotel and travel were budgeted in the grant. Wiconi does not recall any promotional items ordered for this grant, it either was miscoded or the items were for clients and were not promotional.

According to the final report December 2016 the coordinator states in her report that the tribe is comparing the universal BIA Juvenile code with the revised tribal code draft provided to make changes and determine final wording. The staff did their job in revising the draft revision code and presented it to the Tribal Council. Wiconi could not guarantee that the Tribal Council would approve the revised code.

2014 Vision 21 (2014-XV-BX-K029): Audit states that no final policy was approved by the Tribe; inadequate progress on completion of the building; facility not open and no services are being given; no information of the program was given to public.

Response: In this grant no services were being given due to waiting on the building to be completed. The coordinator was not hired until December 2014. In the grant Wiconi was to do some renovation on a trailer that belonged to the BIA. However, the red tape involved made this option unviable. The tribal council was approached about renting a building that was used for a [REDACTED]. The tribe agreed to lease the building to Wiconi rent-free. The [REDACTED] would not move out of the building for several months nor would she release the keys to the building. The coordinator spent the majority of her time working with the [REDACTED] to release the keys and remove their belongings. Once this was done the coordinator cleaned up the mess left behind. The coordinator worked on getting volunteers to clean and build offices. Since the budget did not have much for renovations, the coordinator relied on volunteers to put up walls for offices, paint, tiles for ceiling and lay carpet. All of this work was time consuming and the progress was entirely dependent upon the volunteers. Before any direct services could be done, surveys had to be conducted. That also had to be completed by the coordinator as the person who had the contract decided, after several weeks, that she did not want to do it. This was a delay in completion of the objectives. The coordinator then took another position and that also delayed the progress. No information was given to the public as the building was not completed and then all funds were frozen and work on this grant ceased.

2015 Trafficking (2015-VT-BX-K059): Audit states there is no evidence of any victims served; no protocols or procedures written; no training given to other agencies; no evaluation of the project.

Response: When OIG came for on-site visits staff had just been hired in January 2017 and was only a few months into the grant. Funds were not released until December 2016 even though the grant had been awarded in 2015. I revised the task and timeline as requested by the grant manager before funds were released. There was never any information given as to why it took DOJ/OVC 18 months to release the funds. So, of course there were no victims being sheltered or services provided at the center when funds hadn't been released. Staff developed the policies, procedures and in-take forms. Before all of the protocols were completed, all funds were frozen. The kitchen did not get completed until July 2017 due to no funds in the budget for this. A group did come forward and fund the kitchen so the center could start taking in victims. An open house was on July 17 and the deputy director from OVC attended.

2016 Tribal Victim Assistance (2016-VR-GX-K014): Audit states that no progress has been reported.

Response: No progress was reported on this grant because funds were not released until December 2016 and the 6 months progress report from July 1 to December 31, 2016 would have shown no progress since the funds were not released until December 2016. The next progress report was not due until January 1, 2017 to June 30, 2017 which was filed and showed goals and objectives were being met.

2012 CTAS (2012-TW-AX-0016): Audit states no legal services provided and no transitional housing provided.

Response: In this grant there was a legal advocate hired and provided legal advocacy in assisting women in filling out protection orders, attending court with victims and monitoring the court and handing out brochures to victims. The staff person [REDACTED] worked up until 2014. In the grant it states that we would offer transitional housing through other funds. No funding for transitional housing was in this budget.

2013 Engaging Men and Boys (2013-CY-AX-K020): Audit states three-day camp did not address mentoring of boys; no presentation materials designed for boys; no documentation of PSA number of times aired and evidence of boys in ad; no brochures or posters; no curriculum for the cultural teachings; no evidence that Warrior in Wellness took place; and no evidence that any sweats were held; no permission for the costs of meals.

Response: The PSA ran two times a day for two years. The PSA was put together by three of the youth that the coordinator was working with. The PSA's were approved through a GAN that was approved through GMS before the PSA's were aired.

The coordinator provided three cultural camps each year of the grant. First year was May 30th to June 1st, 2014 and June 5th to 7th was the 2nd and the third one was June 2 to 5th, 2016 and the last one was May 26 to 28th, 2017. Meals were included and approved in the budget for these camps under "other". Most of the cultural curriculum that the coordinator taught were traditional and passed down by his ancestors or were Dakota teachings he learned and most were not on paper. A lot of teachings are done through oral stories that have lessons to them. All camps had agendas for the three days.

The coordinator presented to the CC schools males on many topics and teachings from December 2014 to the end of March 2017. For the school presentation the coordinator did not have flyers, but he did have sign-in sheets of all students except for around 8 classes. The coordinator did use a curriculum called "Expect Respect" and "Coaching Boys into Men" for some of his classes and incorporated cultural teachings.

Coordinator did four presentations during Warriors and Winyan days in October 2014 on traditional roles of Dakota men and respecting women. Two presentations one in morning and one on afternoon on the 16th and 17th. There was a sign-in sheet for all the events. There was a total of 53 people that attended all presentations. OIG did not ask for any of these sign-in sheets for this event. Copies of these events sign-in sheets can be provided.

I believe the coordinator misunderstood the report form page Section C8 #39 product development. Coordinator posted flyers in the community and distributed information to students that were not developed by him but were copies of Expect/Respect and Coaching Boys into Men Curriculum and other information that he put together. Coordinator also listed some info a prevention which was not prevention but was cultural teaching, education and awareness.

As far as sweats these were offered to the youth. Most of the students that participated in this program were boarding in the Crow Creek dormitory and were not available to attend sweats.

2013 CTAS (20): Audit states there is no evidence of an advocate at MVCC and no evidence that legal services were provided. Narrative states that Wiconi would provide legal advocacy with an attorney.

Response: An advocate was hired June 2013 and legal advocacy and direct services were provided by the advocate at MVCC.

There was no attorney hired due to the grant only being awarded for \$454,000. The attorney and other items were removed. The budget proposal was originally for \$900,000.

2014 Tribal Sexual Assault (2014-KT-AX-0007): Audit states that there is no indication of additional personnel; no evidence of counseling services and no evidence of any ceremonies performed.

Response: The funding for this award was not released until 2016 and a coordinator/advocate was hired in September 2016 and the coordinator resigned due to medical reasons. Another coordinator/advocate was hired in December 2016. The original budget stated a counselor at 10%, however we could not find a counselor to provide these services at only 10%. A GAN for a budget modification was approved December 19, 2017 to add another SA advocate which was advertised and SA advocate hired January 2018.

Coordinator did set up services for Inipi's with a woman spirit leader to do Inipi's only for SA victims. Coordinator has made SA victims aware but no women have wanted to attend to lack of understanding. The other reasons being the boarding school that their parents and grandparents

attended were brainwashed and beaten for talking their language and practicing their cultural ceremonies. This has lead many of the parents that attended to not teach their children about their culture and traditions and for fear that this would harm or go against their children.

The advocate has provided beading classes and has helped women to learn how to bead during group. Sage bundles have been provided to sexual assault victims and resources for counseling services. Coordinator has provided transportation to victims and let them know about other services and has provided support groups and healing through art. A walk on SA awareness was provided in May of 2018. Coordinator also went out to the districts to present information on services and support groups.

2015 Rural: Audit states that no offenders' program was initiated.

Response: The award budget was reduced. As a result the offenders' program was eliminated and was never a part of this grant.

2016 CTAS: Audit states that no training of agencies was completed and no meetings were held with agencies.

Response: The funding for this award was not released until December 15, 2016 and therefore no progress was reported for the first progress report. The next progress report was from January 1 to June 30, 2017. In this report the staff provided school presentations, training to South Dakota Department of Social Services and Community Health Reps on the Lower Brule reservation.

Other activities that were provided Warriors and Winyans in October, 2017. Board training, attended agency meetings and gave information about services as well as information on trauma informed services. In January 2018 coordinator gave training to 22 service providers who serve the Crow Creek reservation. Information was given on domestic violence, sexual assault, stalking and sex trafficking along with services provided and understanding victims and trauma. Service providers filled out evaluation forms on the presentation. Evaluations were all good reviews and said that the information presented was informational and easy to understand and always helpful.

The funding for this award should have been released sooner since the prior grant ended September 30, 2016 with all funds being expended, however the DOJ finance and grant manager delayed this process.

2016 Transitional Housing (2016-WH-AX-0022): Audit states that only one victim was served and there is no evidence of culturally sensitive services.

Response: This grant funds were not released until March 2017. Although the grant was awarded in September and was to start October 1, 2016 the grant financial management division did not start working on clearing our budget until December 9th, 2016. The grant coordinator was hired in March 2017. When OIG was here in April that grant was just beginning and only one victim was identified and being worked with at the beginning. Since then the coordinator in the

next reporting period from June 1, 2017 to December 31, 2017 the coordinator worked with 7 victims that were accepted into transitional housing. The grant manager did an on-site visit in July 18, 2017 and followed up with a letter stating that “no programmatic or administrative issues requiring formal resolution were identified during the on-site visit. The grant program appears to be progressing according to the plan presented in the approved application, and in compliance with the federal, OJP, and OVW guidelines for this grant.” In the grant it was stated to provide transitional housing to 6 survivors and the coordinator was providing services to 7 survivors by the end of 2017. The survivors in transitional housing were all scattered in different locations and the coordinator was working on providing cultural practices. All victims are provided with culturally sensitive services and it is not something that can be documented but only provided such as understating one’s culture and beliefs.

Special Conditions: Audit states that the majority of objectives for the grants are the same; that revised timelines were not submitted as required; that final reports were not submitted until after the due dates; and that funds were used for prevention and that is not allowed.

Response: Most grant managers had not requested updated timelines since most timelines are not by dates but only by months which would not be a problem to follow since most of the grant funds were not released in a timely manner. Only one grant manager requested that we resubmit a new timeline in which was provided in a timely manner.

Most of our activities are education/awareness and community training’s on domestic violence, teen dating, elderly abuse, teen dating, stalking, sexual assault and child abuse.

Financial: Audit states that there is no documentation for many expenses; improper coding; no general ledger; credit card was used with authorization; no authorized requests for many purchases; many vouchers not signed or no dates on the transactions; many improper classifications of expenses; and some audits were late.

Response: All receipts were turned into the administrative assistant and all purchases were authorized. They have been times that the administrative assistant had to have bills paid and sent the check to the bookkeeper without my approval so she could get the bills paid. Most of the time the vouchers were signed.

The audits were late due to the auditor always having excuses each time. Since then we hired a new auditor and they have been on time with our annual audits.

Payroll: Audit states that employees have unreasonable days off – 14 holidays, 3 wellness days, 3 bereavement days plus normal sick leave and vacation time. Payroll was not signed or the signatures took place after the fact. Salaries were improperly allocated or are unsupported.

Response: Wiconi follows what is in their policies and all holidays, wellness and bereavement have been approved by the board and are in the policies. We are a nonprofit and the Board decides the number of holidays allowed, not the auditors.

Consultants: Audit states many conflicts of interest found with employees and contractor having same last name; employment of relatives not disclosed to grant manager.

Response: Wiconi was not aware that grants managers were to be made aware of any family or relatives members being employed. The Board of Directors has always been kept informed on persons hired and contracted. Any hiring of family members was done by immediate staff supervisors under the grants at the time and approved by the Board.

Segregation of Duties: Audit states segregation of duties is inadequate; authorizations lacking signatures; unbudgeted consultant expenses.

Response: We have updated the financial policies to address the segregation of duties, but we are a small organization and try to maintain as much segregation as possible. Some unbudgeted consultant expenses were part of a grant but fell within the 10% guideline for moving the funding to other categories and were acceptable under the DOJ Grant Guidelines.

Equipment: Audit states that purchases lack quotes from 3 vendors as stated in policies; equipment not shown as federal money purchases.

Response: As listed in policies Wiconi only needs three bids when the cost is over \$5,000. Bids were released, but only one car dealer provided a quote. One other vehicle that was purchased when bids were released and that time only two quotes were received. If vendors do not respond we have to use the bids we have. Not receiving a stated number (3) of bids is not uncommon in small rural communities located on reservations.

Property Records: Audit states record was not created until auditors requested it; improper use of vehicles noted; some items were not budgeted.

Response: Wiconi has always had a copy of property records. Wiconi policies state that only property over \$5,000 has to be recorded. However, we have listed property such as computers, printers in the property records. Wiconi's Inventory list was not just made up during OIG's visit but has been in place since 2006. Instead of just making a copy of the front page, the inventory binder should have been presented as well.

No employee has ever used Wiconi vehicles for their personnel use at Project SAFE to my knowledge as the executive director. I cannot vouch for Mita Maske Tiki shelter in Sioux Falls. All vehicles have mileage sheets and all employees are to document mileage when leaving and when returning.

Conferences: Audit states that prior approval was not obtained; did not report on the conference within 45 days; no evidence that meals were approved; rent was paid to Pathfinder Center.

Response: The budget was approved and the coordinator assumed since the revised budget was approved that there was no other approval needed. As for the conference report, no report was submitted. This was an oversight by the coordinator and executive director.

Credit Accounts: No purchases orders for items charged at [REDACTED] no details for the purchases on paid vouchers; non-project oils purchased with grant funds on [REDACTED] credit card.

Response: When advocates purchase food at [REDACTED] the list is always made out by the women in shelter. Wiconi now has in place a voucher that is signed off by one employee and picked up by another employee and the list the residence has made out is placed to the order.

Essential oils were purchased as supplies for women in shelter. These oils were used for their physical pain as well as emotional pain instead of over the counter medicines. A lot of women that enter shelter have addictions due to their traumas and made to abuse by their abusers. These oils help to elevate their pain, anxieties and PTSD.

Overdue Penalties: Audit states that procedure must be implemented to prevent overdue penalties.

Response: We have revised Financial Policy to read: *All expenditures and costs should be paid and charged to their proper source of funds within 30 days of their occurrence. Processing of all reimbursement requests should adhere to the 30-day rule to avoid overdue penalties*

Matching Funds: Audit states that matching funds are not properly authorized and have inadequate documentation.

Response: Wiconi was not aware at the time that we were not properly documenting match requirements. All match requirements are being properly matched.

Budget Management: Audit states that Wiconi did not adhere to 10% rule in moving money; federal cash was held on hand for more than 10 days; drawdowns were recorded and the wrong general ledgers; waste and abuse on the part of officials; and duplication of many services.

Response: As far as drawdowns being recorded in the wrong general ledgers a system has been put in place to ensure that all draws are in the correct ledger. As far as having cash on hand for more than 10 days Wiconi only on rare occasions did advances such as when there was going to be a shutdown.

Wiconi believes that we have not duplicated many services. All services are logged in client and their children log sheets. By stating that this is waste and abuse is stating that victims do not deserve all the services that we have provided to them and their children. Much of this funding has been life saving to many victims and to say it is a waste and abuse is stating that you believe that victims do not deserve these services. I don't believe that the people who have audited Wiconi truly understand victimization issues nor the cost for providing these services and how many times a victim needs support and repeated services. National statistic states that a woman will return to her abuser 14 times before she finally leaves. On reservations the statistics are even higher due to the poverty and lack of housing and jobs. The cost of food locally is much much higher on reservation that it is in cities where there is competition. Many times shelter residents leave with towels, blankets and pillows and sometimes dishes, pots and pans. All these need to be replaced on a regular basis. Wiconi is on one of the poorest counties in the nation. Most

victims and their children coming into shelter do not have any clothes except the clothes on the backs. Should Wiconi search through all women's luggage before they leave? I think not! This would be oppressive and so what they needed a blanket or two along with pillow cases? That is why all shelter have a budget to replace these items.

On page 32 states "according to a Wiconi official, the executive director opposes a formal bidding process for contracts because the executive director prefers to use vendors and individuals that are already known and trusted when contracting for services, such as friends and family. This statement is hearsay of an ex-employee. The contract that my husband bid on was advertised in the paper as well as locally. The contract was approved and signed by the board of directors. I don't recall ever telling any of the employees or anyone else for that matter that I prefer to hire friends and family.

Lisa Heth

Executive Director

OFFICE OF JUSTICE PROGRAMS
 RESPONSE TO THE DRAFT AUDIT REPORT²⁰




U.S. Department of Justice
 Office of Justice Programs
 Office of Audit, Assessment, and Management

FEB 13 2019

Washington, D.C. 20531

MEMORANDUM TO: David M. Sheeren
 Regional Audit Manager
 Denver Regional Audit Office
 Office of the Inspector General

FROM: Ralph E. Martin
 Director 

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs and Office on Violence Against Women Grants Awarded to Wiconi Wawokiya, Inc., Fort Thompson, South Dakota*

This memorandum is in reference to your correspondence, dated December 20, 2018, transmitting the above-referenced draft audit report for Wiconi Wawokiya, Inc. (Wiconi). We consider the subject report resolved and request written acceptance of this action from your office.

The draft audit report contains **78** recommendations, **\$2,887,594¹** in net questioned costs, and **\$1,743,162** in funds put to better use, of which: 32 recommendations, \$1,203,119 in net questioned costs, and \$437,374 in funds put to better use are directed to the Office of Justice Programs (OJP); 25 recommendations, \$1,684,475 in net questioned costs, and \$1,305,788 in funds put to better use are directed to the Office on Violence Against Women (OVW); and 21 recommendations are directed to both OJP and OVW.

The following is OJP's analysis of the draft audit report recommendations. For ease of review, the recommendations directed to OJP, individually and jointly, specifically Recommendation Numbers 1-53, are restated in bold and are followed by our response.

- 1. We recommend that OJP and OVW ensure that Wiconi implements policies and procedures that require Wiconi employees to submit a certified voucher or reconciliation after travel is complete[d] to attest to the accuracy and validity of expenses incurred during work-related travel.**

OJP agrees with this recommendation. We will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, that require Wiconi employees to submit a certified voucher or reconciliation after travel is completed, to attest to the accuracy and validity of expenses incurred during work-related travel.

¹ Some costs were questioned for more than one reason. Net questioned costs exclude the duplicate amounts.

²⁰ Attachments provided with this response were not included in this report.

2. **We recommend that OJP and OVW ensure that Wiconi implements policies and procedures to ensure that payment for expenses incurred by Wiconi are remitted in a reasonable timeframe in order to minimize the risk of incurring overdue penalties.**

OJP agrees with this recommendation. We will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to ensure that payments for all expenses incurred by Wiconi are remitted in a reasonable timeframe, to minimize the risk of incurring overdue penalties.

3. **We recommend that OJP and OVW ensure that Wiconi enforce its existing policy related to the authorization of award expenditures, which includes: (1) ensuring that all disbursements are approved by a member of the Board of Directors who has reviewed the request; (2) ensuring that all mileage and per diem reimbursements are completed by the employee requesting the reimbursement, and subsequently authorized by the Executive Director; and (3) ensuring that the proper official authorizes timesheets, and requests for annual and sick leave.**

OJP agrees with this recommendation. We will coordinate with Wiconi to obtain a copy of revised policies and procedures implemented to strengthen its enforcement of existing policies related to the authorization of award expenditures, which includes: (1) ensuring that all disbursements are approved by a member of the Board of Directors; (2) ensuring that all mileage and per diem reimbursements are completed by the employee requesting the reimbursement, and subsequently authorized by the Executive Director; and (3) ensuring that the proper official authorizes timesheets, and requests for annual and sick leave.

4. **We recommend that OJP and OVW ensure that Wiconi implements policies and procedures to ensure that all purchases are properly requested, authorized, and documented prior to when the purchase is initiated, including approving purchases involving credit cards, store accounts, and other credit accounts prior to purchase.**

OJP agrees with this recommendation. We will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to ensure that all purchases are properly requested, authorized, and documented in advance of the acquisition.

5. **We recommend that OJP and OVW ensure that Wiconi implements policies and procedures that require Wiconi to properly maintain property records, which should include an inventory log containing: (1) a description of the property; (2) the serial number or other identification number; (3) the source of the property; (4) the acquisition date; (5) the cost of the property; (6) the location of the property; and (7) the use and condition of the property. This policy should ensure that a physical inventory is completed once every two years, which further minimizes the risk of transposing equipment information when tracking items on an inventory log.**

OJP agrees with this recommendation. We will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to ensure that fixed assets purchased with Federal funds are clearly identified in the fixed asset accounting system; a physical inventory of fixed assets purchased with Federal funds is performed at least every two years; and the results of the physical inventory are reconciled to the fixed asset records.

At a minimum, the procedures must include: 1) a description of the property; 2) the serial number or other identification number; 3) the source of funding; 4) who holds title; 5) the acquisition date; 5) the cost; 6) the percentage of Federal participation in the cost of the property; 7) the location of the property; 8) the condition and use; and 9) any ultimate disposition data, including the disposition date and sale price of the property.

6. **We recommend that OJP and OVW ensure that Wiconi implements policies and procedures to ensure that procurement of accountable equipment or property is conducted in open, free, and fair competition, which includes ensuring that items purchased over \$5,000 are competitively bid with 3 quotations, as mandated by Wiconi's existing financial policies. This policy should ensure that the procurement process for equipment is adequately documented.**

OJP agrees with this recommendation. We will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to ensure that procurement of accountable equipment or property is conducted in open, free, and fair competition, which includes ensuring that items purchased over \$5,000 are competitively bid with at least three quotations, as mandated by Wiconi's existing financial policies. We will also require that this policy ensures that the procurement process for equipment is adequately documented.

7. **We recommend that OJP and OVW ensure that Wiconi implements policies and procedures to ensure that Wiconi adequately procures contract agreements in compliance with the procurement standards set forth in the Uniform Guidance, which should include a formal process for: (1) soliciting contracts that allows for open, free, and fair competition; (2) properly selecting and authorizing consultants and contractors; (3) verifying consultant and contractor performance; and (4) maintaining sufficient documentation to detail the history of the procurement.**

OJP agrees with this recommendation. We will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to ensure that all procurement transactions are made in accordance with established State and Federal guidelines, which should include a formal process for: 1) soliciting contracts in a manner to provide maximum open, free, and fair competition; 2) properly selecting and authorizing consultants and contractors; 3) verifying consultant and contractor performance; and 4) maintaining sufficient documentation to detail the history of the procurement for future auditing purposes.

8. **We recommend that OJP and OVW ensure that Wiconi implements policies and procedures that contain an adequate segregation of duties for expenses incurred, which ensures that the official that prepares a transaction request, including a time and effort report, is different than the official that authorizes the payment. Specific to soliciting contract agreements, these policies and procedures should ensure that no one person is responsible for executing the entire procurement transaction alone, which includes identifying a needed project, creating a project solicitation, receiving and reviewing bids, awarding the contract, reviewing the contractor's work, and paying the contractor.**

OJP agrees with this recommendation. We will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to ensure that processing expenses are adequately segregated. Specifically, the procedures must ensure that duties related to the official that prepares a transaction request, including a time and effort report, are different than the official that authorizes the payment. Additionally, with respect to soliciting contract agreements, these policies and procedures must ensure that no one person is responsible for executing the entire procurement transaction alone, which includes identifying a needed project, creating a project solicitation, receiving and reviewing bids, awarding the contract, reviewing the contractor's work, and paying the contractor.

9. **We recommend that OJP and OVW ensure that Wiconi implements policies and procedures to ensure that Wiconi adequately administers contract agreements, which includes ensuring that: (1) contracts are properly signed by both parties who agree on the terms and conditions of the contract prior to when any services are rendered; and (2) both parties agree to any contract modifications or amendments, and that those changes are adequately documented.**

OJP agrees with this recommendation. We will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to ensure that it adequately administers contract agreements, which includes ensuring that: (1) contracts are properly signed by both parties who agree to the terms and conditions of the contract, prior to the rendering of any services; and (2) both parties agree to any contract modifications or amendments, and that those changes are adequately documented.

10. **We recommend that OJP and OVW ensure that Wiconi promptly discloses all real and apparent conflicts of interest in writing to the awarding agency under each of its Federal awards, as well as the cognizant Federal audit agency, as mandated by the DOJ Grants Financial Guide.**

OJP agrees with this recommendation. We will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to ensure that conflicts of interest, both real and apparent, are promptly disclosed in writing to the awarding agency under each of its Federal awards, as well as the cognizant Federal audit agency, as mandated by the U.S. Department of Justice (DOJ) Grants Financial Guide.

11. **We recommend that OJP and OVW ensure that Wiconi implements policies and procedures to ensure that Wiconi adequately addresses conflicts of interest, both real and apparent, as they arise, which includes: (1) implementing a documented process to check for organizational conflicts of interest with potential contractors; (2) promptly reporting all potential conflicts of interest to the awarding agency and cognizant Federal audit agency, and/or proposed or actual actions regarding each irregularity; and (3) enhancing existing Wiconi policy to ensure that written standards of conduct covering conflict of interest and employee participation in selection, award, and administration of contracts is adequately followed.**

OJP agrees with this recommendation. We will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to ensure that conflicts of interest, both real and apparent, are adequately addressed as they arise, which includes: (1) implementing a documented process to check for organizational conflicts of interest with potential contractors; (2) promptly reporting all potential conflicts of interest to the awarding agency and cognizant Federal audit agency, and/or proposed or actual actions regarding each irregularity; and (3) enhancing existing Wiconi policy to ensure that written standards of conduct, covering conflicts of interest and employee participation in the selection, award, and administration of contracts, are adequately followed.

12. **We recommend that OJP and OVW ensure that Wiconi implements an effective system for adequately and reliably measuring program performance and accomplishments for all future awards for purposes other than shelter services. This includes award programs specific to children's mentoring and counseling.**

OJP agrees with this recommendation. We will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to ensure that an effective system is established for adequately and reliably measuring program performance and accomplishments for all future awards for purposes other than shelter services, including award programs specific to children's mentoring and counseling.

13. **We recommend that OJP and OVW ensure that Wiconi implements policies and procedures to ensure that Wiconi maintains and verifies valid and auditable source documentation that supports performance measures reported in the semi-annual progress reports.**

OJP agrees with this recommendation. We will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to ensure that it maintains and verifies valid and auditable source documentation that supports performance measures reported in its semi-annual progress reports.

14. **We recommend that OJP and OVW ensure that Wiconi implements policies and procedures to ensure that Wiconi complies with award special conditions.**

OJP agrees with this recommendation. We will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to ensure their compliance with Federal award special conditions.

15. **We recommend that OJP and OVW ensure that Wiconi implements policies and procedures to ensure that Federal cash on hand is the minimum needed for disbursement to be made immediately or within 10 days, and, if the funds are not spent or disbursed within 10 days, Wiconi must return them to the awarding agency as required by the DOJ Grants Financial Guide.**

OJP agrees with this recommendation. We will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to ensure that drawdowns of Federal grant funds are limited to the amount needed for disbursement to be made immediately or within 10 days of drawdown, as required by the DOJ Grants Financial Guide.

- 16. We recommend that OJP and OVW ensure that Wiconi implements policies and procedures to ensure the proper accounting and classification of award funds by establishing a system to adequately record, monitor, and track funds, including matching costs, according to project category in order to: (1) maintain program accounts that enable separate identification and accounting for funds applied to each budget category included within the approved award and to prevent the commingling of funds; (2) consistently classify expenses using a clear and precise methodology; (3) ensure lump sum payments to credit accounts are broken down by individual expense, receipt, or invoice; and (4) properly report the correct amount of expenditures on its Federal Financial Reports (FFRs).**

OJP agrees with this recommendation. We will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to ensure that award funds are properly accounted for and classified, through the establishment of a system to adequately record, monitor, and track funds, including matching costs, according to project category. In accomplishing this, Wiconi must: (1) maintain program accounts that enable separate identification and accounting for funds applied to each budget category included within the approved award and to prevent the commingling of funds; (2) consistently classify expenses using a clear and precise methodology; (3) ensure lump sum payments to credit accounts are broken down by individual expense, receipt, or invoice; and (4) properly report the correct amount of expenditures on its Federal Financial Reports (FFRs).

- 17. We recommend that OJP and OVW ensure that all payroll expenditures at Wiconi are supported by a system of internal controls that provide reasonable assurance that all payroll charges are accurate, reliable, allowable, and properly allocated. This system should ensure that any alterations to payroll records are properly authorized and reflect the actual time worked.**

OJP agrees with this recommendation. We will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to ensure that all payroll expenditures at Wiconi are supported by a system of internal controls that provide reasonable assurance that all payroll charges are accurate, reliable, allowable, and properly allocated. This system should ensure that any alterations to payroll records are properly authorized and reflect the actual time worked.

- 18. We recommend that OJP and OVW ensure that Wiconi enforces its existing policy and award terms and conditions related to employee work schedules and benefits, which includes ensuring that: (1) Wiconi employees are held accountable to approved work schedules; (2) any hours worked in excess of a regular 40 hour work week is authorized by the appropriate officials; (3) all regularly scheduled holidays are recognized either on the actual holiday, or one day before or after the holiday if the employee is scheduled to work; (4) incentive awards are given only to those that are eligible; (5) employees who receive fringe benefits are working at least 35 hours per week, as mandated by existing policy; and (6) the proper official authorizes timesheets and requests for annual and sick leave.**

OJP agrees with this recommendation. We will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to ensure that it enforces its existing policy and award terms and conditions related to employee work schedules and benefits, which includes ensuring that: (1) Wiconi employees are held accountable to approved work schedules; (2) any hours worked in excess of a regular 40 hour work week are authorized by the appropriate officials; (3) all regularly scheduled holidays are recognized either on the actual holiday, or one day before or after the holiday, if the employee is scheduled to work on the holiday; (4) incentive awards are given only to those that are eligible; (5) employees who receive fringe benefits are working at least 35 hours per week, as mandated by existing policy; and (6) the proper official authorizes timesheets and requests for annual and sick leave.

- 19. We recommend that OJP and OVW ensure that Wiconi implements policies and procedures to ensure that the accurate amount of annual and sick leave is allocated to each employee, which includes: (1) ensuring that employees only accrue leave based on their regularly scheduled hours; (2) ensuring that all scheduled leave is deducted from each respective employee's balance of leave hours; and (3) ensuring that any administrative leave taken due to an emergency or inclement weather is approved by the appropriate official.**

OJP agrees with this recommendation. We will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to ensure that the accurate amount of annual and sick leave is allocated to each employee, which includes: (1) ensuring that employees only accrue leave based on their regularly scheduled hours; (2) ensuring that all scheduled leave is deducted from each respective employee's balance of leave hours; and (3) ensuring that any administrative leave taken due to an emergency or inclement weather is approved by the appropriate official.

- 20. We recommend that OJP and OVW ensure that Wiconi revise its current policy related to holiday, bereavement, and wellness leave, to only include leave that is reasonable and justified.**

OJP agrees with this recommendation. We will coordinate with Wiconi to ensure that it strengthens its current policy related to holiday, bereavement, and wellness leave, to only include leave that is reasonable and justified; and will obtain a copy of Wiconi's revised policies and procedures.

- 21. We recommend that OJP and OVW ensure that Wiconi completes required single audits in compliance with 2 C.F.R. 200, or the current Uniform Guidance.**

OJP agrees with this recommendation. We will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to ensure that required single audits are timely completed, in compliance with 2 C.F.R. 200, or the current Uniform Guidance.

- 22. We recommend that OJP remedy \$18,754 in unallowable personnel and fringe benefits costs associated with employees that were not listed in the approved award budget.**

OJP agrees with this recommendation. We will review the \$18,754 in questioned costs, related to unallowable personnel and fringe benefits costs associated with employees that were not listed in the approved award budget, and will work with Wiconi to remedy, as appropriate.

- 23. We recommend that OJP remedy \$38,084 in unallowable personnel and fringe benefits costs that were incorrectly allocated to the award.**

OJP agrees with this recommendation. We will review the \$38,084 in questioned costs, related to unallowable personnel and fringe benefits costs that were incorrectly allocated to the award, and will work with Wiconi to remedy, as appropriate.

- 24. We recommend that OJP remedy \$7,523 in additional unallowable fringe benefits costs resulting from expenses not allowed by Federal award conditions and that were double billed to the award ledgers.**

OJP agrees with this recommendation. We will review the \$7,523 in questioned costs, related to unallowable fringe benefits costs resulting from expenses not allowed by Federal award conditions, and that were double billed to the award ledgers, and will work with Wiconi to remedy, as appropriate.

- 25. We recommend that OJP remedy \$17,665 in unallowable consulting costs that were not listed in the approved award budget.**

OJP agrees with this recommendation. We will review the \$17,665 in questioned costs, related to unallowable consulting costs that were not listed in the approved award budget, and will work with Wiconi to remedy, as appropriate.

- 26. We recommend that OJP remedy \$40,168 in unallowable consulting costs that were considered unreasonable or excessive.**

OJP agrees with this recommendation. We will review the \$40,168 in questioned costs, related to unallowable consulting costs that were considered unreasonable or excessive, and will work with Wiconi to remedy, as appropriate.

- 27. We recommend that OJP remedy \$41,086 in unallowable consulting costs that were paid prior to when the consulting services were rendered (i.e., retainer fees).**

OJP agrees with this recommendation. We will review the \$41,086 in questioned costs, related to unallowable consulting costs that were paid prior to when the consulting services were rendered, and will work with Wiconi to remedy, as appropriate.

- 28. We recommend that OJP remedy \$10,173 in unallowable consulting costs that were erroneously charged to the award.**

OJP agrees with this recommendation. We will review the \$10,173 in questioned costs, related to unallowable consulting costs that were erroneously charged to the award, and will work with Wiconi to remedy, as appropriate.

- 29. We recommend that OJP remedy \$1,444 in unallowable consulting costs that were charged to the incorrect award.**

OJP agrees with this recommendation. We will review the \$1,444 in questioned costs, related to unallowable consulting costs that were charged to the incorrect award, and will work with Wiconi to remedy, as appropriate.

- 30. We recommend that OJP remedy \$80,396 in unallowable matching expenditures that were not listed in the approved award budget.**

OJP agrees with this recommendation. We will review the \$80,396 in questioned costs, related to unallowable matching expenditures that were not listed in the approved award budget, and will work with Wiconi to remedy, as appropriate.

- 31. We recommend that OJP remedy \$36,294 in unallowable other direct costs that were not listed in the approved award budget.**
- OJP agrees with this recommendation. We will review the \$36,294 in questioned costs, related to unallowable other direct costs that were not listed in the approved award budget, and will work with Wiconi to remedy, as appropriate.
- 32. We recommend that OJP remedy \$28,607 in unallowable other direct costs that are considered unreasonable or excessive.**
- OJP agrees with this recommendation. We will review the \$28,607 in questioned costs, related to unallowable other direct costs that are considered unreasonable or excessive, and will work with Wiconi to remedy, as appropriate.
- 33. We recommend that OJP remedy \$7,546 in unallowable other direct costs that were charged to the incorrect award.**
- OJP agrees with this recommendation. We will review the \$7,546 in questioned costs, related to unallowable other direct costs that were charged to the incorrect award, and will work with Wiconi to remedy, as appropriate.
- 34. We recommend that OJP remedy \$15,839 in unallowable other direct costs that were erroneously charged to the award.**
- OJP agrees with this recommendation. We will review the \$15,839 in questioned costs, related to unallowable other direct costs that were erroneously charged to the award, and will work with Wiconi to remedy, as appropriate.
- 35. We recommend that OJP remedy \$4,435 in unallowable other direct costs that were double charged to the award.**
- OJP agrees with this recommendation. We will review the \$4,435 in questioned costs, related to unallowable other direct costs that were double charged to the award, and will work with Wiconi to remedy, as appropriate.
- 36. We recommend that OJP remedy \$3,438 in unallowable expenses incurred prior to OJP's review and approval of Wiconi's budget and budget narrative.**
- OJP agrees with this recommendation. We will review the \$3,438 in questioned costs, related to expenses incurred prior to OJP's review and approval of Wiconi's budget and budget narrative for Award Numbers 2013-VI-GX-K008 (\$3,288) and 2014-XV-BX-K029 (\$150), and will work with Wiconi to remedy, as appropriate.

37. **We recommend that OJP remedy \$16,514 in unallowable costs resulting from transfers between budget categories exceeding 10 percent of the total award under Award Number 2013-VR-GX-K025.**

OJP agrees with this recommendation. We will review the \$16,514 in questioned costs, related to transfers between budget categories exceeding 10 percent of the total award amount under Award Number 2013-VR-GX-K025, and will work with Wiconi to remedy, as appropriate.

38. **We recommend that OJP remedy the \$15,560 in unallowable excess drawdowns under Award Number 2013-VI-GX-K008.**

OJP agrees with this recommendation. We will review the \$15,560 in questioned costs, related to unallowable excess drawdowns under Award Number 2013-VI-GX-K008, and will work with Wiconi to remedy, as appropriate.

39. **We recommend that OJP remedy \$766,303 in unsupported personnel and fringe benefits costs resulting from:**

- a. **\$680,207 in unreliable payroll records.**
- b. **\$86,096 in personnel and fringe benefit costs with missing or invalid supporting documentation.**

OJP agrees with each subpart of this recommendation. We will review the \$766,303 in questioned costs, related to unsupported personnel and fringe benefits costs, and will work with Wiconi to remedy, as appropriate.

40. **We recommend that OJP remedy \$158,552 in unsupported consulting costs.**

OJP agrees with this recommendation. We will review the \$158,552 in questioned costs, related to unsupported consulting costs, and will work with Wiconi to remedy, as appropriate.

41. **We recommend that OJP remedy \$920 in unsupported equipment costs resulting from purchases that do not contribute towards the completion of award goals and objectives.**

OJP agrees with this recommendation. We will review the \$920 in questioned costs, related to unsupported and unauthorized equipment costs, and will work with Wiconi to remedy, as appropriate.

42. **We recommend that OJP remedy \$86,538 in unsupported matching expenditures.**

OJP agrees with this recommendation. We will review the \$86,538 in questioned costs, related to unsupported matching expenditures, and will work with Wiconi to remedy, as appropriate.

43. **We recommend that OJP remedy \$55,514 in unsupported other direct costs.**

OJP agrees with this recommendation. We will review the \$55,514 in questioned costs, related to unsupported other direct costs, and will work with Wiconi to remedy, as appropriate.

44. **We recommend that OJP remedy \$82,251 in unsupported expenditures purchased using a credit account, which are a result of: (1) unauthorized purchases; (2) limited assurance that expenses are properly allocated to the appropriate award; (3) insufficient detail in the accounting records to properly track and monitor expenses; and (4) purchases for purposes unassociated with award activities.**

OJP agrees with this recommendation. We will review the \$82,251 in questioned costs, related to unsupported expenditures purchased using a credit account, and will work with Wiconi to remedy, as appropriate.

45. **We recommend that OJP remedy unsupported drawdowns, totaling \$450,000 under Award Number 2013-VR-GX-K025 and \$442,245 under Award Number 2013-VI-GX-K008, resulting from the extensive mismanagement of award funds, as well as the limited supportable progress towards the completion of award goals and objectives.**

OJP agrees with this recommendation. We will review the \$892,245 in questioned costs, related to unsupported drawdowns under Award Numbers 2013-VR-GX-K025 (\$450,000) and 2013-VI-GX-K008 (\$442,245), and will work with Wiconi to remedy, as appropriate.

46. **We recommend that OJP remedy and put to better use the remaining \$429,619 in funds obligated against Award Number 2014-XV-BX-K029, as this funding does not further support the original award goals and objectives.**

OJP agrees with this recommendation. OJP's Office of the Chief Financial Officer (OCFO) performed a financial reconciliation of Award Number 2014-XV-BX-K029, and based on the cumulative Federal expenditures reported on the final FFR, the OCFO deobligated the \$399,716 in unobligated funds associated with this award on December 27, 2018 (see Attachment 1). If there are no adjustments to the final FFR, the remaining \$29,902 in funds would be due to Wiconi, upon closeout of the award. The Office of Justice Programs requests closure of this recommendation.

47. **We recommend that OJP remedy and put to better use the remaining \$7,755 in funds obligated against Award Number 2013-VI-GX-K008, which has expired but has not yet been closed.**

OJP agrees with this recommendation. The OCFO performed a financial reconciliation of Award Number 2013-VI-GX-K008, and based on cumulative Federal expenditures reported on the final FFR, the OCFO deobligated the \$7,755 in unobligated funds associated with this award on September 29, 2018 (see Attachment 2). The Office of Justice Programs requests closure of this recommendation.

48. **We recommend that OJP further review the allowability of expenditures associated with the final drawdown of \$28,102 under Award Number 2013-VI-GX-K008.**

OJP agrees with this recommendation. We will review the \$28,102 in questioned costs, related to the final drawdown under Award Number 2013-VI-GX-K008, to determine the allowability of these costs, and will work with Wiconi to remedy, as appropriate.

49. **We recommend that OJP ensure that Wiconi implements policies and procedures to ensure that any event broadly defined as a conference is properly administered based on the guidance set forth in the DOJ Grants Financial Guide.**

OJP agrees with this recommendation. We will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to ensure that any event, broadly defined as a conference, is properly administered based on the guidance set forth in the DOJ Grants Financial Guide.

50. **We recommend that OJP ensure that Wiconi implements policies and procedures to ensure that all requests for matching contributions are properly authorized, which includes requiring that all matching requests are approved by a member of the Board of Directors, who has reviewed the request.**

OJP agrees with this recommendation. We will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to ensure that all requests for matching contributions are properly authorized, and are approved by a member of the Board of Directors, who has reviewed the request.

51. **We recommend that OJP ensure that Wiconi implements policies and procedures to ensure the proper accounting of matching contributions, which includes maintaining a general ledger that clearly shows the source, amount, and timing of these expenditures.**

OJP agrees with this recommendation. We will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to ensure the proper accounting of matching contributions, which includes maintaining a general ledger that clearly shows the source, amount, and timing of these expenditures.

52. **We recommend that OJP ensure that Wiconi implements policies and procedures to ensure that Wiconi retains qualified individuals under each award program, which includes maintaining adequate qualifications for each individual, such as resumes, background checks, or letters of reference.**

OJP agrees with this recommendation. We will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to ensure that Wiconi retains qualified individuals under each award program; and maintains documentation supporting the qualifications for each individual, such as resumes, background checks, and letters of reference.

53. **We recommend that OJP provide additional oversight and monitoring of Wiconi to ensure that the award goals and objectives are adequately achieved under Award Number 2015-VT-BX-K059 and Award Number 2016-VR-GX-K014, which includes potentially reviewing and revising the award goals and objectives for Award Number 2016-VR-GX-K014.**

OJP agrees with this recommendation. OJP will continue to monitor Wiconi's progress in achieving the goals and objectives of the grant programs under Award Numbers 2015-VT-BX-K059 and 2016-VR-GX-K014; and will review and revise the goals/objectives, if necessary and appropriate.

We appreciate the opportunity to review and comment on the draft audit report. If you have any questions or require additional information, please contact Jeffery A. Haley, Deputy Director, Audit and Review Division, on (202) 616-2936.

Attachments

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Internal Review and Evaluation Office
Justice Management Division

OJP Executive Secretariat
Control Number IT20190108093126

**OFFICE ON VIOLENCE AGAINST WOMEN
RESPONSE TO THE DRAFT AUDIT REPORT**



U.S. Department of Justice

Office on Violence Against Women

Washington, DC 20530

February 15, 2019

MEMORANDUM

TO: David Sheeren
Regional Audit Manager

FROM: Nadine M. Neufville *NMN*
Deputy Director, Grants Development and Management

Donna Simmons *DS*
Associate Director, Grants Financial Management Division

Rodney Samuels *RS*
Audit Liaison/Staff Accountant

SUBJECT: Draft Audit Report – Audit of the Office of Justice Programs, and
Office on Violence Against Women Grants Awarded to Wiconi
Wawokiya, Inc., Fort Thompson, South Dakota

This memorandum is in response to your correspondence dated December 20, 2018 transmitting the above draft audit report for Wiconi Wawokiya, Inc. We consider the subject report resolved and request written acceptance of this action from your office.

The report contains seventy-eight recommendations and \$4,630,756 in Total Dollar Related Findings. There are thirty-two recommendations identified for the Office of Justice Programs (OJP), twenty-five recommendations identified for the Office on Violence Against Women (OVW), and twenty-one recommendations identified for both offices. OVW is committed to addressing and bringing the recommendations identified for our office to a close as quickly as possible. The following is our analysis of each OVW Recommendations.

Your office recommends that OVW and OJP:

1. **Ensure that Wiconi implements policies and procedures that require Wiconi employees to submit a certified voucher or reconciliation after travel is complete[d] to attest to the accuracy and validity of expenses incurred during work-related travel.**

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OVW concurs. We will coordinate with OJP and Wiconi to ensure that they implement written policies and procedures, developed and implemented, that require Wiconi employees to submit a certified voucher or reconciliation after travel is completed, to attest to the accuracy and validity of expenses incurred during work-related travel.

2. **Ensure that Wiconi implements policies and procedures to ensure that payment for expenses incurred by Wiconi are remitted in a reasonable timeframe in order to minimize the risk of incurring overdue penalties.**

OVW concurs. We will coordinate with OJP and Wiconi to ensure that Wiconi implements written policies and procedures to ensure that payments for all expenses incurred by Wiconi are remitted in a reasonable timeframe, to minimize the risk of incurring overdue penalties.

3. **Ensure that Wiconi enforce its existing policy related to the authorization of award expenditures, which includes: (1) ensuring that all disbursements are approved by a member of the Board of Directors who has reviewed the request; (2) ensuring that all mileage and per diem reimbursements are completed by the employee requesting the reimbursement, and subsequently authorized by the Executive Director; and (3) ensuring that the proper official authorizes timesheets, and requests for annual and sick leave.**

OVW concurs. We will coordinate with OJP and Wiconi to ensure that Wiconi enforces its existing policy related to the authorization of award expenditures, which includes: (1) ensuring that all disbursements are approved by a member of the Board of Directors; (2) ensuring that all mileage and per diem reimbursements are completed by the employee requesting the reimbursement, and subsequently authorized by the Executive Director; and (3) ensuring that the proper official authorizes timesheets, and requests for annual and sick leave.

4. **Ensure that Wiconi implements policies and procedures to ensure that all purchases are properly requested, authorized, and documented prior to when the purchase is initiated, including approving purchases involving credit cards, store accounts, and other credit accounts prior to purchase.**

OVW concurs. We will coordinate with OJP and Wiconi to ensure that Wiconi implements policies and procedures to ensure that all purchases are properly requested, authorized, and documented prior to when the purchase is initiated, including approving purchases involving credit cards, store accounts, and other credit accounts prior to purchase.

5. **Ensure that Wiconi implements policies and procedures that require Wiconi to properly maintain property records, which should include an inventory log containing: (1) a description of the property; (2) the serial number or other**

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identification number; (3) the source of the property; (4) the acquisition date; (5) the cost of the property; (6) the location of the property; and (7) the use and condition of the property. This policy should ensure that a physical inventory is completed once every two years, which further minimizes the risk of transposing equipment information when tracking items on an inventory log.

OVW concurs. We will coordinate with OJP and Wiconi to ensure that Wiconi implements policies and procedures that require Wiconi to properly maintain property records, which should include an inventory log containing: (1) a description of the property; (2) the serial number or other identification number; (3) the source of the property; (4) the acquisition date; (5) the cost of the property; (6) the location of the property; and (7) the use and condition of the property. This policy should ensure that a physical inventory is completed once every two years, which further minimizes the risk of transposing equipment information when tracking items on an inventory log.

6. **Ensure that Wiconi implements policies and procedures to ensure that procurement of accountable equipment or property is conducted in open, free, and fair competition, which includes ensuring that items purchased over \$5,000 are competitively bid with 3 quotations, as mandated by Wiconi's existing financial policies. This policy should ensure that the procurement process for equipment is adequately documented.**

OVW concurs. We will coordinate with OJP and Wiconi to ensure that Wiconi implement policies and procedures to ensure that procurement of accountable equipment or property is conducted in open, free, and fair competition, which includes ensuring that items purchased over \$5,000 are competitively bid with 3 quotations, as mandated by Wiconi's existing financial policies. This policy should ensure that the procurement process for equipment is adequately documented.

7. **Ensure that Wiconi implements policies and procedures to ensure that Wiconi adequately procures contract agreements in compliance with the procurement standards set forth in the Uniform Guidance, which should include a formal process for: (1) soliciting contracts that allows for open, free, and fair competition; (2) properly selecting and authorizing consultants and contractors; (3) verifying consultant and contractor performance; and (4) maintaining sufficient documentation to detail the history of the procurement.**

OVW concurs. We will coordinate with OJP and Wiconi to ensure that Wiconi implements policies and procedures to ensure that they adequately procures contract agreements in compliance with the procurement standards set forth in the Uniform Guidance, which should include a formal process for: (1) soliciting contracts that allows for open, free, and fair competition; (2) properly selecting and authorizing consultants and contractors; (3) verifying consultant and contractor performance; and (4) maintaining sufficient documentation to detail the history of the procurement.

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8. **Ensure that Wiconi implements policies and procedures that contain an adequate segregation of duties for expenses incurred, which ensures that the official that prepares a transaction request, including a time and effort report, is different than the official that authorizes the payment. Specific to soliciting contract agreements, these policies and procedures should ensure that no one person is responsible for executing the entire procurement transaction alone, which includes identifying a needed project, creating a project solicitation, receiving and reviewing bids, awarding the contract, reviewing the contractor's work, and paying the contractor.**

OVW concurs. We will coordinate with OJP and Wiconi to ensure that Wiconi implements policies and procedures that contain an adequate segregation of duties for expenses incurred, which ensures that the official that prepares a transaction request, including a time and effort report, is different than the official that authorizes the payment. Specific to soliciting contract agreements, these policies and procedures should ensure that no one person is responsible for executing the entire procurement transaction alone, which includes identifying a needed project, creating a project solicitation, receiving and reviewing bids, awarding the contract, reviewing the contractor's work, and paying the contractor.

9. **Ensure that Wiconi implements policies and procedures to ensure that Wiconi adequately administers contract agreements, which includes ensuring that: (1) contracts are properly signed by both parties who agree on the terms and conditions of the contract prior to when any services are rendered; and (2) both parties agree to any contract modifications or amendments, and that those changes are adequately documented.**

OVW concurs. We will coordinate with OJP and Wiconi to ensure that Wiconi implements policies and procedures to ensure that they adequately administers contract agreements, which includes ensuring that: (1) contracts are properly signed by both parties who agree on the terms and conditions of the contract prior to when any services are rendered; and (2) both parties agree to any contract modifications or amendments, and that those changes are adequately documented.

10. **Ensure that Wiconi promptly discloses all real and apparent conflicts of interest in writing to the awarding agency under each of its Federal awards, as well as the cognizant Federal audit agency, as mandated by the DOJ Grants Financial Guide.**

OVW concurs. We will coordinate with OJP and Wiconi to ensure that Wiconi promptly discloses all real and apparent conflicts of interest in writing to the awarding agency under each of its Federal awards, as well as the cognizant Federal audit agency, as mandated by the DOJ Grants Financial Guide.

11. **Ensure that Wiconi implements policies and procedures to ensure that Wiconi adequately addresses conflicts of interest, both real and apparent, as they arise,**

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which includes: (1) implementing a documented process to check for organizational conflicts of interest with potential contractors; (2) promptly reporting all potential conflicts of interest to the awarding agency and cognizant Federal audit agency, and/or proposed or actual actions regarding each irregularity; and (3) enhancing existing Wiconi policy to ensure that written standards of conduct covering conflict of interest and employee participation in selection, award, and administration of contracts is adequately followed.

OVW concurs. We will coordinate with OJP and Wiconi to ensure that Wiconi implements policies and procedures to ensure that they adequately addresses conflicts of interest, both real and apparent, as they arise, which includes: (1) implementing a documented process to check for organizational conflicts of interest with potential contractors; (2) promptly reporting all potential conflicts of interest to the awarding agency and cognizant Federal audit agency, and/or proposed or actual actions regarding each irregularity; and (3) enhancing existing Wiconi policy to ensure that written standards of conduct covering conflict of interest and employee participation in selection, award, and administration of contracts is adequately followed.

- 12. Ensure that Wiconi implements an effective system for adequately and reliably measuring program performance and accomplishments for all future awards for purposes other than shelter services. This includes award programs specific to children's mentoring and counseling.**

OVW concurs. We will coordinate with OJP and Wiconi to ensure that Wiconi implements an effective system for adequately and reliably measuring program performance and accomplishments for all future awards for purposes other than shelter services. This includes award programs specific to children's mentoring and counseling.

- 13. Ensure that Wiconi implements policies and procedures to ensure that Wiconi maintains and verifies valid and auditable source documentation that supports performance measures reported in the semi-annual progress reports.**

OVW concurs. We will coordinate with OJP and Wiconi to ensure that Wiconi implements policies and procedures to ensure that they maintains and verifies valid and auditable source documentation that supports performance measures reported in the semi-annual progress reports.

- 14. Ensure that Wiconi implements policies and procedures to ensure that Wiconi complies with award special conditions.**

OVW concurs. We will coordinate with OJP and Wiconi to ensure that Wiconi implements policies and procedures to ensure that they comply with award special conditions.

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15. **Ensure that Wiconi implements policies and procedures to ensure that Federal cash on hand is the minimum needed for disbursement to be made immediately or within 10 days, and, if the funds are not spent or disbursed within 10 days, Wiconi must return them to the awarding agency as required by the DOJ Grants Financial Guide.**

OVW concurs. We will coordinate with OJP and Wiconi to ensure that Wiconi implements policies and procedures to ensure that Federal cash on hand is the minimum needed for disbursement to be made immediately or within 10 days, and, if the funds are not spent or disbursed within 10 days, Wiconi must return them to the awarding agency as required by the DOJ Grants Financial Guide.

16. **Ensure that Wiconi implements policies and procedures to ensure the proper accounting and classification of award funds by establishing a system to adequately record, monitor, and track funds, including matching costs, according to project category in order to: (1) maintain program accounts that enable separate identification and accounting for funds applied to each budget category included within the approved award and to prevent the commingling of funds; (2) consistently classify expenses using a clear and precise methodology; (3) ensure lump sum payments to credit accounts are broken down by individual expense, receipt, or invoice; and (4) properly report the correct amount of expenditures on its Federal Financial Reports (FFRs).**

OVW concurs. We will coordinate with OJP and Wiconi to ensure that Wiconi implements policies and procedures to ensure the proper accounting and classification of award funds by establishing a system to adequately record, monitor, and track funds, including matching costs, according to project category in order to: (1) maintain program accounts that enable separate identification and accounting for funds applied to each budget category included within the approved award and to prevent the commingling of funds; (2) consistently classify expenses using a clear and precise methodology; (3) ensure lump sum payments to credit accounts are broken down by individual expense, receipt, or invoice; and (4) properly report the correct amount of expenditures on its Federal Financial Reports (FFRs).

17. **Ensure that all payroll expenditures at Wiconi are supported by a system of internal controls that provide reasonable assurance that all payroll charges are accurate, reliable, allowable, and properly allocated. This system should ensure that any alterations to payroll records are properly authorized and reflect the actual time worked.**

OVW concurs. We will coordinate with OJP and Wiconi to ensure that all payroll expenditures at Wiconi are supported by a system of internal controls that provide reasonable assurance that all payroll charges are accurate, reliable, allowable, and

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properly allocated. This system should ensure that any alterations to payroll records are properly authorized and reflect the actual time worked.

18. **Ensure that Wiconi enforces its existing policy and award terms and conditions related to employee work schedules and benefits, which includes ensuring that: (1) Wiconi employees are held accountable to approved work schedules; (2) any hours worked in excess of a regular 40 hour work week is authorized by the appropriate officials; (3) all regularly scheduled holidays are recognized either on the actual holiday, or one day before or after the holiday if the employee is scheduled to work; (4) incentive awards are given only to those that are eligible; (5) employees who receive fringe benefits are working at least 35 hours per week, as mandated by existing policy; and (6) the proper official authorizes timesheets and requests for annual and sick leave.**

OVW concurs. We will coordinate with OJP and Wiconi to ensure that Wiconi enforces its existing policy and award terms and conditions related to employee work schedules and benefits, which includes ensuring that: (1) Wiconi employees are held accountable to approved work schedules; (2) any hours worked in excess of a regular 40 hour work week is authorized by the appropriate officials; (3) all regularly scheduled holidays are recognized either on the actual holiday, or one day before or after the holiday if the employee is scheduled to work; (4) incentive awards are given only to those that are eligible; (5) employees who receive fringe benefits are working at least 35 hours per week, as mandated by existing policy; and (6) the proper official authorizes timesheets and requests for annual and sick leave.

19. **Ensure that Wiconi implements policies and procedures to ensure that the accurate amount of annual and sick leave is allocated to each employee, which includes: (1) ensuring that employees only accrue leave based on their regularly scheduled hours; (2) ensuring that all scheduled leave is deducted from each respective employee's balance of leave hours; and (3) ensuring that any administrative leave taken due to an emergency or inclement weather is approved by the appropriate official.**

OVW concurs. We will coordinate with OJP and Wiconi to ensure that Wiconi implements policies and procedures to ensure that the accurate amount of annual and sick leave is allocated to each employee, which includes: (1) ensuring that employees only accrue leave based on their regularly scheduled hours; (2) ensuring that all scheduled leave is deducted from each respective employee's balance of leave hours; and (3) ensuring that any administrative leave taken due to an emergency or inclement weather is approved by the appropriate official.

20. **Ensure that Wiconi revise its current policy related to holiday, bereavement, and wellness leave, to only include leave that is reasonable and justified.**

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OVW concurs. We will coordinate with OJP and Wiconi to ensure that Wiconi revises its current policy related to holiday, bereavement, and wellness leave, to only include leave that is reasonable and justified.

21. **Ensure that Wiconi completes required single audits in compliance with 2 C.F.R. 200, or the current Uniform Guidance.**

OVW concurs. We will coordinate with OJP and Wiconi to ensure that Wiconi completes required single audits in compliance with 2 C.F.R. 200, or the current Uniform Guidance.

Your office recommends that OVW:

54. **Remedy \$11,205 in unallowable personnel and fringe benefit costs associated with employees that are not listed in the approved award budget.**

OVW concurs. We will work with Wiconi to remedy \$11,205 in unallowable personnel and fringe benefit costs associated with employees that are not listed in the approved award budget.

55. **Remedy \$30,619 in unallowable personnel and fringe benefit costs that were incorrectly allocated to the award.**

OVW concurs. We will work with Wiconi to remedy \$30,619 in unallowable personnel and fringe benefit costs that were incorrectly allocated to the award.

56. **Remedy \$27,189 in additional unallowable fringe benefit costs resulting from expenses that are not listed in the approved award budget and are double billed to the award ledger.**

OVW concurs. We will work with Wiconi to remedy \$27,189 in additional unallowable fringe benefit costs resulting from expenses that are not listed in the approved award budget and are double billed to the award ledger.

57. **Remedy \$10,636 in unallowable consulting costs that were not listed in the approved award budget.**

OVW concurs. We will work with Wiconi to remedy \$10,636 in unallowable consulting costs that were not listed in the approved award budget.

58. **Remedy \$7,129 in unallowable consulting costs that were paid prior to when the consulting services were rendered (i.e. retainer fees).**

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OVW concurs. We will work with Wiconi to remedy \$7,129 in unallowable consulting costs that were paid prior to when the consulting services were rendered (i.e. retainer fees).

- 59. Remedy \$727 in unallowable consulting costs resulting from costs that were erroneously charged to the award.**

OVW concurs. We will work with Wiconi to remedy \$727 in unallowable consulting costs resulting from costs that were erroneously charged to the award.

- 60. Remedy \$7,220 in unallowable equipment costs that were not listed in the approved award budget.**

OVW concurs. We will work with Wiconi to remedy \$7,220 in unallowable equipment costs that were not listed in the approved award budget.

- 61. Remedy \$24,974 in unallowable other direct costs that were not listed in the approved award budget.**

OVW concurs. We will work with Wiconi to remedy \$24,974 in unallowable other direct costs that were not listed in the approved award budget.

- 62. Remedy \$4,668 in unallowable other direct costs that are considered unreasonable or excessive.**

OVW concurs. We will work with Wiconi to remedy \$4,668 in unallowable other direct costs that are considered unreasonable or excessive.

- 63. Remedy \$6,376 in unallowable other direct costs that were charged to the incorrect award.**

OVW concurs. We will work with Wiconi to remedy \$6,376 in unallowable other direct costs that were charged to the incorrect award.

- 64. Remedy \$10,640 in unallowable other direct costs that were erroneously charged to the award.**

OVW concurs. We will work with Wiconi to remedy \$10,640 in unallowable other direct costs that were erroneously charged to the award.

- 65. Remedy \$1,753 in unallowable other direct costs that were double charged to the award.**

OVW concurs. We will work with Wiconi to remedy \$1,753 in unallowable other direct costs that were double charged to the award.

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- 66. Remedy \$4,061 in unallowable expenditures incurred after the award closeout date under Award Number 2013-CY-AX-K020.**

OVW concurs. We will work with Wiconi to remedy \$4,061 in unallowable expenditures incurred after the award closeout date under Award Number 2013-CY-AX-K020.

- 67. Remedy \$27,649 in unallowable excess drawdowns associated with:**

- a. \$11,805 in award reimbursements not supported by expenditures under Award Number 2012-TW-AX-0016.**
- b. \$15,844 in award reimbursements not supported by expenditures under Award Number 2013-TW-AX-0016.**

OVW concurs. We will work with Wiconi to remedy \$27,649 in unallowable excess drawdowns.

- 68. Remedy \$1,253,365 in unsupported personnel and fringe benefit costs resulting from:**

- a. \$1,214,404 in unreliable payroll records.**
- b. \$38,961 in personnel and fringe benefit costs with missing or invalid supporting documentation.**

OVW concurs. We will work with Wiconi to remedy \$1,253,365 in unsupported personnel and fringe benefit costs.

- 69. Remedy \$24,796 in unsupported consulting costs.**

OVW concurs. We will work with Wiconi to remedy \$24,796 in unsupported consulting costs.

- 70. Remedy \$34,833 in unsupported equipment expenditures.**

OVW concurs. We will work with Wiconi to remedy \$34,833 in unsupported equipment expenditures.

- 71. Remedy \$99,645 in unsupported other direct costs.**

OVW concurs. We will work with Wiconi to remedy \$99,645 in unsupported other direct costs.

- 72. Remedy \$54,880 in unsupported expenditures purchased using a credit account, which are a result of: (1) unauthorized purchases; (2) limited assurance that expenses are properly allocated to the appropriate award; (3) insufficient detail in**

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the accounting records to properly track and monitor expenses; and (4) purchases for purposes unassociated with award activities.

OVW concurs. We will work with Wiconi to remedy \$54,880 in unsupported expenditures purchased using a credit account, which are a result of: (1) unauthorized purchases; (2) limited assurance that expenses are properly allocated to the appropriate award; (3) insufficient detail in the accounting records to properly track and monitor expenses; and (4) purchases for purposes unassociated with award activities.

73. **Remedy \$255,474 in unsupported drawdowns under Award Number 2013-CY-AX-K020 resulting from extensive mismanagement of award funds, as well as limited supportable progress towards the completion of award goals and objectives.**

OVW concurs. We will work with Wiconi to remedy \$255,474 in unsupported drawdowns under Award Number 2013-CY-AX-K020 resulting from extensive mismanagement of award funds, as well as limited supportable progress towards the completion of award goals and objectives.

74. **Remedy \$712,224 in unsupported drawdowns resulting from: (1) extensive mismanagement of award funds; (2) limited supportable progress towards the completion of award goals and objectives; and (3) a duplication of DOJ funding for similar costs and award goals and objectives. This includes \$454,000 under Award Number 2013-TW-AX-0016, \$80,409 under Award Number 2014-KT-AX-0007, \$105,615 under Award Number 2015-WR-AX-0031, and \$72,200 under Award Number 2016-TW-AX-0024.**

OVW concurs. We will work with Wiconi to remedy \$712,224 in unsupported drawdowns resulting from: (1) extensive mismanagement of award funds; (2) limited supportable progress towards the completion of award goals and objectives; and (3) a duplication of DOJ funding for similar costs and award goals and objectives. This includes \$454,000 under Award Number 2013-TW-AX-0016, \$80,409 under Award Number 2014-KT-AX-0007, \$105,615 under Award Number 2015-WR-AX-0031, and \$72,200 under Award Number 2016-TW-AX-0024.

75. **Remedy and put to better use \$1,216,775 in award funds duplicative of existing DOJ funding for similar costs and award objectives, which includes the remaining \$244,591 in funds obligated against Award Number 2014-KT-AX-0007, the \$444,385 in funds obligated against Award Number 2015-WR-AX-0031, and \$527,800 in funds obligated against Award Number 2016-TW-AX-0024.**

OVW concurs. We will work with Wiconi to remedy and put to better use \$1,216,775 in award funds duplicative of existing DOJ funding for similar costs and award objectives, which includes the remaining \$244,591 in funds obligated against Award Number 2014-KT-AX-0007, the \$444,385 in funds obligated against Award Number 2015-WR-AX-0031, and \$527,800 in funds obligated against Award Number 2016-TW-AX-0024.

MEMORANDUM

SUBJECT: Draft Audit Report – Audit of the Office of Justice Programs, and Office on Violence Against Women Grants Awarded to Wiconi Wawokiya, Inc., Fort Thompson, South Dakota

76. **Remedy and put to better use the remaining \$89,013 in funds obligated against Award Number 2013-CY-AX-K020, which has expired but has not yet been closed.**

OVW concurs. We will work with Wiconi to remedy and put to better use the remaining \$89,013 in funds obligated against Award Number 2013-CY-AX-K020, which has expired but has not yet been closed.

77. **Provide additional monitoring and oversight of Wiconi to ensure that the award goals and objectives are adequately met under Award Number 2016-WH-AX-0022.**

OVW concurs. We will provide additional monitoring and oversight of Wiconi to ensure that the award goals and objectives are adequately met under Award Number 2016-WH-AX-0022.

78. **Ensure that Wiconi implements policies and procedures to ensure that any donations or other sources of revenue related to its projects are adequately tracked and accounted for, which includes establishing and maintaining program accounts that enable separate identification and accounting for receipt and disposition of all funds.**

OVW concurs. We will work with Wiconi to ensure that Wiconi implements policies and procedures to ensure that any donations or other sources of revenue related to its projects are adequately tracked and accounted for, which includes establishing and maintaining program accounts that enable separate identification and accounting for receipt and disposition of all funds.

We appreciate the opportunity to review and comment on the draft report. If you have any questions or require additional information, please contact Rodney Samuels at (202) 514-9820.

cc Richard P. Theis
Assistant Director, Audit Liaison Group
Internal Review and Evaluation Office
Justice Management Division

Kellie Greene
Program Manager
Office on Violence Against Women (OVW)

Darla Nolan
Program Manager
Office on Violence Against Women (OVW)

MEMEORANDUM

SUBJECT: Draft Audit Report – Audit of the Office of Justice Programs, and Office on Violence Against Women Grants Awarded to Wiconi Wawokiya, Inc., Fort Thompson, South Dakota

**Sue Pugliese
Program Manager
Office on Violence Against Women**

**Tia Farmer
Program Manager
Office on Violence Against Women**

**Sherriann Moore
Program Manager
Office on Violence Against Women**

**OFFICE OF THE INSPECTOR GENERAL ANALYSIS AND
SUMMARY OF ACTIONS NECESSARY TO CLOSE THE REPORT**

The OIG provided a draft of this audit report to Wiconi, OJP, and OVW. Wiconi's response is incorporated in Appendix 9, OJP's response is incorporated in Appendix 10, and OVW's response is incorporated in Appendix 11 of this final report. OJP and OVW agreed with each recommendation contained in this report and discussed the actions it plans to complete in order to address the recommendations. As a result, this report is resolved. Wiconi did not address each recommendation specifically, but instead broadly addressed various audit findings identified throughout the report, as well as addressed findings specific to each award. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

Analysis of Wiconi Response

Wiconi questioned in its response whether the OIG understands victimization issues and the cost of providing services, stating that the OIG's findings that Wiconi wasted and abused award funds is synonymous to finding that the victims Wiconi served did not deserve the services provided. Wiconi's concerns are misdirected. The OIG recognizes the importance of providing services to victims, and through our audit, sought to ensure that DOJ award funds awarded to Wiconi for such services were used appropriately, in accordance with award requirements, and to achieve the goals and objectives of the awards. The OIG's findings of waste and abuse of award funds by Wiconi protect money allocated for victim services from abuses such as: payment of rent on a building already owned by Wiconi; payment of award funds to an investigator who did not provide information to show that any child abuse investigative services were performed, and who was related to a Wiconi project coordinator; and widespread conflicts of interest throughout Wiconi's contracting activities, including direct contracting with the husband of Wiconi's Executive Director. The importance of Wiconi's mission does not excuse these and other deficiencies in its management and use of the federal funding it received, and the OIG's mission is to ensure accountability for and appropriate use of taxpayers' dollars awarded by DOJ from monies appropriated by Congress.

Throughout its response, Wiconi acknowledged that many of our audit findings were accurate and that Wiconi has since attempted to address some of the issues identified during the audit. However, Wiconi provided no new information or evidence to address the concerns outlined in the report. Additionally, Wiconi made various claims throughout its response that are not supported by Wiconi documentation or our audit work. We summarize and address each component of Wiconi's response below.

OVC Award Number 2013-VR-GX-K025

In its response, Wiconi stated that there were no forensic exams under this award due to the fact that a criminal investigator that worked for Wiconi referred these cases to other facilities. Wiconi also stated that there were no advertisements under this award because the coordinator was collaborating with other agencies to contract with their staff. Finally, Wiconi stated that the training attended by staff was all approved by the awarding agency, and that the extra travel costs incurred was an oversight by the administrative assistant who budgeted based on an outdated budget.

We disagree with Wiconi's assessment of our audit findings related to this award. However, it appears that Wiconi does agree that many of the award objectives were not completed or properly documented for various reasons. Regarding award training and travel, we do not take issue with the types of training and travel conducted by Wiconi. However, we identified certain employees who traveled under this award, but are not listed as working on this project or in the approved award budget. Therefore, expenses associated with these individuals are not allowed to be charged to this award. We also identified incorrect or over-charged per diem costs. Overall, it is the responsibility of the grantee to incur expenses based on a budget that has been reviewed and approved by the awarding agency.

OVC Award Number 2013-VI-GX-K008

In its response, Wiconi stated that the child abuse investigator contracted under this award did not prosecute any cases because the background check was not completed in a timely manner and because the state and the Bureau of Indian Affairs (BIA) would not send their cases of child abuse to the investigator. Wiconi also stated that various unallowable expenses were an oversight. Finally, Wiconi stated that it could not guarantee that the Tribal Council would review and approve a revised juvenile code, and that staff at Wiconi did their job in revising the code and presenting it to the Tribal Council.

It appears that Wiconi agrees that many of the award goals and objectives were not adequately achieved under this award for various reasons, and that many of the unallowable expenses we identified were charged to the awards as an oversight. While the OIG understands challenges can occur that prevent a grantee from completing award objectives as originally intended, we remain concerned that Wiconi did not communicate these challenges to the awarding agency. Additionally, for the program accomplishments stated as being achieved by Wiconi, we find it problematic that Wiconi maintained no victim files under this award, and could not provide reliable programmatic documentation. This includes the draft juvenile code provided by Wiconi, which did not identify any changes or improvements by Wiconi staff to the existing policy.

OVC Award Number 2014-XV-BX-K029

In its response, Wiconi acknowledged that the award objectives under this award were delayed in implementation due to the fact that building renovations stalled the project, and that the project coordinator left before any victims could be serviced or information could be provided to the public.

We agree that Wiconi was unable to successfully secure a facility under this award. While the OIG understands that challenges can occur that prevent the grantee from completing award objectives as originally intended, building renovations were not listed in the approved award budget. Based on the information presented in the Wiconi's application materials, a building was already available for operations. However, we found that Wiconi needed the majority of the award period to secure a facility. In our judgment, this information was not properly disclosed to the awarding agency nor reflected in the award objectives and timeline.

OVC Award Number 2015-VT-BX-K059

In its response, Wiconi stated that it had not met the goals and objectives under this award because OVC took 18 months to release the funding for this award. Wiconi also stated that there were no victims because construction of the facility was not completed in time, but that when construction was eventually completed, an open house was held and victims started being served.

The OIG understands that funding for every award is not always released on the award start date. However, delays in the release of funding can also be due to the fact that award documentation required from the grantees has not yet been submitted and approved by the awarding agency. We determined during our audit that this was the case for many of Wiconi's awards. Additionally, construction of the facility used under this award program was not listed in the approved award budget, and was not within the scope of this award. Therefore, if Wiconi did not have a shelter for this program at the start of the award, then this information should have been disclosed to the awarding agency prior to the award.

Finally, the OIG does not expect the grantee to complete all of the award objectives immediately. The OIG understands that the implementation of certain award deliverables can be challenging and time consuming. However, in our judgment, the progress made under this award was not adequate, and that despite the fact that Wiconi claims this facility was opened for victims, we did not receive adequate evidence that this has occurred. Consequently, we recommended that the awarding agency assist Wiconi in further completing its award objectives.

OVC Award Number 2016-VR-GX-K014

In its response, Wiconi stated that no progress had been made on this award because the funding was not yet released during the time period of our review, but that it reported meeting goals and objectives in subsequent progress reports.

We determined based on our analysis of OVC Award Number 2013-VR-GX-K025, which falls under the same award program as OVC Award Number 2016-VR-GX-K014, that Wiconi may require additional assistance from the awarding agency to complete the award goals and objectives in a timely manner. We acknowledge in our report that this award is ongoing, and limited progress had occurred during our review. Further, Wiconi did not provide evidence to support its claims of progress on the award. Consequently, we recommended that the awarding agency assist Wiconi in further completing its award objectives.

OVW Award Number 2012-TW-AX-0016

In its response, Wiconi stated that it does not agree with our assessment that no legal services or transitional housing services were provided. Wiconi stated that a legal advocate was hired, and that the transitional housing services were funded under a different award.

As noted in the report, Wiconi's approved award narrative states that the legal advocate will work with attorneys and court systems; extend hours of court monitoring and work with Child Protective Services (CPS); initiate meetings with law enforcement; and provide specialized training for the advocate. Wiconi provided no documentation to support that these deliverables were achieved. Additionally, the third objective in the award narrative is to provide transitional housing for women and their children who need long-term housing in a safe environment. While the housing may not have been funded under this award, it is clear that Wiconi intended to provide transitional housing services under this award. No documentation or evidence was provided that this was achieved.

OVW Award Number 2013-CY-AX-K020

In its response, Wiconi stated that it did not agree with our assessment that the award goals and objectives were not met. Wiconi stated that it ran a public service announcement (PSA) two times a day for 2 years. Wiconi stated that the curriculum used for its cultural camps were traditional, passed down from ancestors, or were Dakota teachings learned by the camp coordinator and were not documented. Wiconi stated that it did have a curriculum for school presentations, and that most of the presentations had student sign-in sheets. Wiconi stated that there were also presentations with sign-in sheets at 'Warriors and Winyan' days in 2014. Related to product development, Wiconi stated that the report provided to the OIG may not have been accurate. Finally, Wiconi claimed that 'sweats' were provided to youth, but none attended.

We disagree with the majority of Wiconi's assessment of our audit findings related to this award. While Wiconi cited various achievements in its response, limited documentation was provided throughout the audit to support these claims and no additional documentation was provided with its response to our draft report. Without documentation from the awardee or the awarding agency, the OIG cannot verify that certain information is accurate, and therefore can conclude that it is not properly supported. Regarding Wiconi's claims that sign-in sheets can be provided for various presentations and events, we determined throughout the course of our

audit that many of Wiconi's sign-in sheets are not reliable. We found that many sign-in sheets were altered or copied for different events. Overall, we question the reliability of the majority of the documentation Wiconi provided to support program accomplishments.

OVW Award Number 2013-TW-AX-0016

In its response, Wiconi stated that it did not hire an attorney under this award because the budget did not allow for this individual, and that this item was removed from the original proposal. Wiconi also stated that it was able to hire an advocate at the Missouri Valley Crisis Center (MVCC) in 2013.

We disagree. The second objective under this award in Wiconi's approved award narrative clearly states that Wiconi would provide legal services with an attorney. Wiconi's award budget also states that a legal advocate would be paid through the award. While it may have been Wiconi's intent to remove legal services from this award, an updated award narrative with updated objectives was not approved by the awarding agency. Finally, Wiconi repeatedly stated in its progress reports that it was not successful in hiring an advocate at MVCC. No evidence was provided to support Wiconi's claim in its response.

OVW Award Number 2014-KT-AX-0007

In its response, Wiconi stated that the delays in implementation of the award objectives is a result of the fact that the funding under this award was not released on time. Additionally, Wiconi stated that its original project coordinator under this award resigned. Wiconi also stated that it was unable to find a counselor to provide the necessary services at the amount approved in the award budget. Finally, Wiconi stated that while it offered 'Inipis' to victims, no women wanted to attend due to a lack of understanding and brainwashing, despite Wiconi's efforts to provide information to the community.

Wiconi provided various reasons why the award goals and objectives were not adequately achieved under this award. Regarding the counselor that was to be hired under this award, Wiconi stated in its progress reports that the individual intended for this position moved out of the area. Additionally, Wiconi stated in its progress reports that it was also unable to hire an advocate at the MVCC. Instead, Wiconi stated that it would hire an advocate at the Pathfinder Center. Therefore, neither a counselor nor an advocate at MVCC was hired. Further, the Pathfinder Center services human trafficking victims, while this grant was awarded to service sexual assault victims. Overall, it appears that the award deliverables were adjusted significantly and that Wiconi was unable to follow the original approved budget. These changes were not explicitly communicated to the awarding agency.

OVW Award Number 2015-WR-AX-0031

In its response, Wiconi stated that it was unable to implement an offenders' program because the award budget was reduced, and an offenders' program was never a part of this award.

We disagree. The fifth objective under this award in the approved award narrative states that Wiconi will implement an offenders' program. Additionally, there are various areas in the award budget, including advocacy, where an education program could have been funded.

OVW Award Number 2016-TW-AX-0024

In its response, Wiconi stated that the delays in implementation of the award objectives was a result of the fact that the funding under this award was not released on time. Wiconi also stated that it did provide some training to schools and agencies in the community.

While Wiconi states that some of this activity was conducted after we completed our onsite fieldwork, it did not provide any documentation to support these activities, despite being provided multiple opportunities to do so. Additionally, as stated in Wiconi's approved award narrative, Wiconi was to provide training to agencies on the provision of services to underserved populations based on disability, sexual orientation, or gender identity. Wiconi provided no additional documentation to support its claims that it did provide some training to schools and agencies in the community.

OVW Award Number 2016-WH-AX-0022

In its response, Wiconi stated that the delays in implementation of the award objectives is a result of the fact that the funding under this award was not released on time. Wiconi stated that since our site work, Wiconi has serviced seven human trafficking victims. Wiconi also stated that all victims are provided with culturally-sensitive services, but that these services cannot be documented because they related to one's culture and beliefs. Finally, Wiconi stated that OVW conducted a site visit review prior to our audit, and stated that OVW did not identify any programmatic or administrative issues related to this award, and that the project was progressing according to the approved award application.

We disagree with Wiconi's assessment of our audit findings related to this award. During our site work, we determined that there were seven victims being serviced under this award. However, not all seven victims qualified as a transitional housing victim based on the award criteria. Additionally, the OIG does not expect the grantee to complete all of the award objectives immediately. The OIG understands that the implementation of certain award deliverables can be challenging and time consuming. However, in our judgment, the progress made under this award was not adequate. Consequently, we recommended that the awarding agency assist Wiconi in further completing its award objectives. In regards to OVW's site visit, this review was limited in scope compared to the OIG's review of the award program. Despite that review, OVW still chose to place Wiconi's existing funding under this award on hold after we informed the awarding agency of the significant findings identified during our audit.

Table 4

In its response, Wiconi stated that it maintains a binder with all activities and sign-in sheets related to the metrics in Table 4. It stated that records of all activities are in place now.

While Wiconi stated that records are now in place, Wiconi has not provided us new evidence that the performance metrics reported in Table 4 are adequately supported.

Special Conditions

In its response, Wiconi stated that the awarding agencies did not request updated timelines as required by award special conditions. Wiconi did not directly address the other special conditions cited in this report.

While the awarding agencies may not have requested timelines related to special conditions, the DOJ Grants Financial Guide states that failure to comply with special conditions may result in withholding of funds, suspension, or termination. These terms and conditions are located in the award documentation, and are agreed upon by the award recipient when it accepts the award. Therefore, it is the responsibility of the award recipient to be aware of and comply with all special conditions associated with DOJ awards.

Financial

In its response, Wiconi stated that all receipts were turned in to the administrative assistant and all purchases were authorized. Wiconi also stated that most of the time vouchers were signed. Last, Wiconi stated that its single audits were late due to the auditor always having excuses each time.

However, as discussed in our report, we determined that Wiconi was missing a significant number of receipts throughout the course of our audit, and many time and effort reports, contracts, and invoices were not signed.

Payroll

In its response, Wiconi stated that it follows its own written policies, and that the Board of Directors decides the number of holidays allowed, not the OIG.

We disagree with Wiconi's assessment of our audit findings related to employee leave and holidays. While it is the recipient's responsibility to determine holiday and leave schedules, we determined that Wiconi mismanaged its leave, holiday, wellness, and bereavement days. In our judgment, the errors in leave calculations and the additional holiday, wellness, and bereavement days in violation of Wiconi's own policies indicates that this policy should be revised to only allow for a certain number of days off per year that is reasonable and justified. We also found numerous instances where this leave was taken without proper authorization.

Consultants

In its response, Wiconi stated that it was not aware that grant managers were to be made aware of any family that is employed at the organization. Wiconi stated that any hiring of family members was approved by the Board of Directors.

The DOJ Grants Financial Guide serves as the primary reference manual to assist award recipients in fulfilling their fiduciary responsibility to safeguard grant funds and ensure funds are used for the purposes for which they were awarded. It compiles a variety of laws, rules, and regulations, including those related to conflicts of interest, which affect the financial and administrative management of certain awards. Therefore, it is the responsibility Wiconi to comply with the rules and regulations listed in this guide. Additionally, we determined that conflicts of interest may exist on Wiconi's Board of Directors, further exacerbating this problem.

Wiconi also stated that the notion that the Executive Director prefers to hire family and friends is hearsay by a previous employee. The Executive Director stated that she does not recall telling anyone that she prefers to hire friends and family.

We determined throughout our audit that numerous friends and family were improperly hired at Wiconi. In addition to these observations, multiple employees at Wiconi confirmed that leaders in the organization preferred to hire friends and family.

Segregation of Duties

In its response, Wiconi stated that while it is a small organization, it tries to maintain as much segregation of duties as possible. Wiconi also stated that it has updated its financial policies to address segregation of duties. Finally, Wiconi stated some of the unbudgeted consulting expenses fell within the 10 percent guideline for moving funding to other categories and is acceptable under DOJ guidelines.

First, Wiconi provided no evidence that it has updated its policies and procedures related to segregation of duties. Next, we determined that while Wiconi may have some segregation of duties in place, in many cases Wiconi officials would circumvent existing controls, further compounding the problems regarding its lack of controls. Additionally, while Wiconi claims that its expenses fell within the 10 percent guidelines set forth in the DOJ Grants Financial Guide, we found that Wiconi violated the 10 percent rule for one of the awards under our review. Finally, the DOJ Grants Financial Guide states that a recipient must initiate a GAN for a budget modification if a budget modification changes the scope of the project, including authorizing the use of an organization that was not identified in the original approved budget. The unbudgeted contractors identified in our audit report fall into this category. Therefore, these costs remain unallowable.

Equipment

In its response, Wiconi stated that it has policy requiring bids for equipment that costs more than \$5,000. Wiconi stated that bids were released, but only one or two vendors would provide a quote. Wiconi stated that not receiving three bids is common in small rural communities located on reservations.

We disagree. In addition to Wiconi's own policy, the DOJ Grants Financial Guide also requires that items classified as equipment are procured using full and open competition, and all procurements should be fully documented. We received no evidence that Wiconi received bids on its purchases for vehicles, and a majority of its equipment purchases were not adequately documented. Finally, while the OIG understands that there is limited availability for contractors on reservations, Wiconi's purchases were made off of the reservation at neighboring cities and towns where various vendor options exist.

Property Records

In its response, Wiconi stated that it has always had a hard copy of property records, later clarifying that these records have been in place since 2006. Wiconi acknowledged that its inventory binder should have been presented to the OIG. Wiconi also maintained that, to the Executive Director's knowledge, no employee has ever used Wiconi vehicles for their personal use. The Executive Director stated that she cannot speak for the Mita shelter in Sioux Falls.

While we acknowledge that Wiconi has had existing property records for some time, it is clear based on our review that certain items that should have been listed on the inventory logs were not. Additionally, a Wiconi employee informed the OIG that certain items had to be added to the inventory log after we requested the records for review. Therefore, we determined that the records we reviewed were not reliable. Last, based on our observations on site, as well as employee testimony, we determined that award-funded vehicles were not being used as intended under each award. Further, it is the responsibility of the officials at Wiconi to be aware of how accountable property is being used at the organization, and to ensure that it is being used in accordance with award terms and conditions.

Conferences

In its response, Wiconi stated that because revised budgets under certain awards were approved by the awarding agency, Wiconi assumed that it did not need to seek additional approval. Wiconi also acknowledged that it did not submit a report after the conference was completed, and that this was an oversight by the Project Coordinator and the Executive Director.

The DOJ Grants Financial Guide states that the approval of an award budget does not grant prior approval to use federal funds for conference events anticipated in the budget. This criteria also states that conference costing more than \$20,000 must report actual conference expenses within 45 days of the event. The DOJ Grants Financial Guide serves as the primary reference manual to assist award

recipients in fulfilling their fiduciary responsibility to safeguard grant funds and ensure funds are used for the purposes for which they were awarded. It compiles a variety of laws, rules, and regulations that affect the financial and administrative management of certain awards. Therefore, it is the responsibility Wiconi to comply with the rules and regulations listed in this guide.

Credit Accounts

In its response, Wiconi stated that when an advocate purchases food at the local grocery store, a list created by the shelter residents is provided and maintained after the purchase. Wiconi also stated that the essential oils purchased using federal funds were used as supplies for women in the shelter.

Related to food purchases, Wiconi still does not have a proper methodology for ensuring all purchases are properly authorized prior to purchase, and cannot ensure that employees are not making unauthorized purchases using store credit accounts. Additionally, Wiconi did not provide new evidence that the insufficient internal controls around food purchases have been adequately addressed. Next, the essential oils purchased using federal funds is unallowable. Wiconi purchased unbudgeted, expensive oils, which, according to an employee at Wiconi, were used to operate a multi-level business out of Wiconi facilities. In our judgment, this is an example of waste and abuse by Wiconi officials.

Overdue Penalties

In its response, Wiconi stated that it has revised its policies and procedures related to overdue penalties. However, Wiconi did not provide any new evidence of this revision.

Matching Funds

In its response, Wiconi stated that it was not aware that it was not properly documenting match requirements. Wiconi stated that all matching costs are now being properly matched. However, Wiconi did not provide any new evidence that it has properly contributed to its match while maintaining adequate support.

Budget Management

In its response, Wiconi stated that a new system has been put in place to ensure that all drawdowns are in the correct ledger. Wiconi also stated that it only maintained cash on hand for more than 10 days on rare occasions.

Wiconi did not provide additional detail or new evidence that it has implemented a system to ensure drawdowns are recorded in the correct general ledger. Additionally, we determined a systemic problem at Wiconi related to having cash on hand for more than 10 days. Based on our testing, this was not rare, and Wiconi has provided no new evidence that this issue has been addressed.

Duplicated Services

In its response, Wiconi stated that the information listed under Table 3 related to gas vouchers counted as given to both adults and children is not a duplication or an over count. Wiconi stated that under a program run by State of South Dakota, Wiconi was instructed to count gas vouchers for children. Wiconi stated that this is a requirement by the funder and maintained that it did not duplicate services or over count.

We disagree. The OIG understands that the State of South Dakota may have different rules and requirements related to award administration when compared to federal award requirements. In our judgment, Wiconi should be reporting the exact number of gas vouchers provided to individual victims. Because child victims cannot drive and do not receive gas vouchers, these victims should not be counted as receiving a gas voucher in the federal progress reports. Only the individual driving the vehicle received a voucher; therefore, only one gas voucher was provided, and reporting differently would be inaccurate. Also related to duplicative counting, Wiconi provided the same services to the same victim multiple times in one reporting period, and also counted these victims across multiple awards. This inflates the number of unique victims being reported as serviced. The OIG understands the challenges associated with servicing victims and running a shelter. However, recipients of federal awards are required to follow the laws, rules, regulations, terms, and conditions of each federal award. This includes accurately reporting program accomplishments to the awarding agency, and responsibly managing award funds.

Analysis of OJP and OVW Responses

Recommendations for both OJP and OVW:

- 1. Ensure that Wiconi implements policies and procedures that require Wiconi employees to submit a certified voucher or reconciliation after travel is complete to attest to the accuracy and validity of expenses incurred during work-related travel.**

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to address this recommendation.

OVW concurred with this recommendation. In its response, OVW stated that it will coordinate with Wiconi to ensure that it implements written policies and procedures to address this recommendation.

This recommendation can be closed when we receive documentation demonstrating that Wiconi has implemented policies and procedures that require Wiconi employees to submit a certified voucher or reconciliation after travel is complete to attest to the accuracy and validity of expenses incurred during work-related travel.

2. **Ensure that Wiconi implements policies and procedures to ensure that payment for expenses incurred by Wiconi are remitted in a reasonable timeframe in order to minimize the risk of incurring overdue penalties.**

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to address this recommendation.

OVW concurred with this recommendation. In its response, OVW stated that it will coordinate with Wiconi to ensure that it implements written policies and procedures to address this recommendation.

This recommendation can be closed when we receive documentation demonstrating that Wiconi has implemented policies and procedures to ensure that payment for expenses incurred by Wiconi are remitted in a reasonable timeframe in order to minimize the risk of incurring overdue penalties.

3. **Ensure that Wiconi enforce its existing policy related to the authorization of award expenditures, which includes: (1) ensuring that all disbursements are approved by a member of the Board of Director's who has reviewed the request; (2) ensuring all mileage and per diem reimbursements are completed by the employee requesting the reimbursement, and subsequently authorized by the Executive Director; and (3) ensuring that the proper official authorizes timesheets and requests for annual and sick leave.**

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will coordinate with Wiconi to strengthen its current written policies and procedures to address this recommendation.

OVW concurred with this recommendation. In its response, OVW stated that it will coordinate with Wiconi to ensure that it enforces its current written policies and procedures to address this recommendation.

This recommendation can be closed when we receive documentation demonstrating that Wiconi has enforced its existing policy related to the authorization of award expenditure, which includes: (1) ensuring that all disbursements are approved by a member of the Board of Director's who has reviewed the request; (2) ensuring all mileage and per diem reimbursements are completed by the employee requesting the reimbursement, and subsequently authorized by the Executive Director; and (3) ensuring that the proper official authorizes timesheets and requests for annual and sick leave.

4. **Ensure that Wiconi implements policies and procedures to ensure that all purchases are properly requested, authorized, and documented prior to when the purchase is initiated, including**

approving purchases involving credit cards, store accounts, and other credit accounts prior to purchase.

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to address this recommendation.

OVW concurred with this recommendation. In its response, OVW stated that it will coordinate with Wiconi to ensure that it implements written policies and procedures to address this recommendation.

This recommendation can be closed when we receive documentation demonstrating that Wiconi has implemented policies and procedures to ensure that all purchases are properly requested, authorized, and documented prior to when the purchase is initiated, including approving purchases involving credit cards, store accounts, and other credit accounts prior to purchase.

- 5. Ensure that Wiconi implements policies and procedures that require Wiconi to properly maintain property records, which should include an inventory log containing: (1) a description of the property; (2) a serial number or other identification number; (3) the source of the property; (4) the acquisition date; (5) the cost of the property; (6) the location of the property; and (7) the use and condition of the property. This policy should ensure that a physical inventory is completed once every two years, which further minimizes the risk of transposing equipment information when tracking items on an inventory log.**

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to address this recommendation.

OVW concurred with this recommendation. In its response, OVW stated that it will coordinate with Wiconi to ensure that it implements written policies and procedures to address this recommendation.

This recommendation can be closed when we receive documentation demonstrating that Wiconi has implemented policies and procedures that require Wiconi to properly maintain property records, which should include an inventory log containing: (1) a description of the property; (2) a serial number or other identification number; (3) the source of the property; (4) the acquisition date; (5) the cost of the property; (6) the location of the property; and (7) the use and condition of the property. This policy should ensure that a physical inventory is completed once every two years, which further minimizes the risk of transposing equipment information when tracking items on an inventory log.

6. **Ensure that Wiconi implements policies and procedures to ensure that procurement of accountable equipment or property is conducted in open, free, and fair competition, which includes ensuring that items purchased over \$5,000 are competitively bid with 3 quotations, as mandated by Wiconi's existing financial policies. This policy should ensure that the procurement process for equipment is adequately documented.**

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to address this recommendation.

OVW concurred with this recommendation. In its response, OVW stated that it will coordinate with Wiconi to ensure that it implements written policies and procedures to address this recommendation.

This recommendation can be closed when we receive documentation demonstrating that Wiconi has implemented policies and procedures to ensure that procurement of accountable equipment or property is conducted in open, free and fair competition, which includes ensuring that items purchased over \$5,000 are competitively bid with 3 quotations, as mandated by Wiconi's existing financial policies. This policy should ensure that the procurement process for equipment is adequately documented.

7. **Ensure that Wiconi implements policies and procedures to ensure that Wiconi adequately procures contract agreements in compliance with the procurement standards set forth in the Uniform Guidance, which should include a formal process for: (1) soliciting contracts that allows for open, free, and fair competition; (2) properly selecting and authorizing consultants and contractors; (3) verifying consultant and contractor performance; and (4) maintaining sufficient documentation to detail the history of the procurement.**

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to address this recommendation.

OVW concurred with this recommendation. In its response, OVW stated that it will coordinate with Wiconi to ensure that it implements written policies and procedures to address this recommendation.

This recommendation can be closed when we receive documentation demonstrating that Wiconi has implemented policies and procedures to ensure that Wiconi adequately procures contract agreements in compliance with the procurement standards set forth in the Uniform Guidance, which should include a formal process for: (1) soliciting contracts that allows for open, free, and fair competition; (2) properly selecting and authorizing consultants and contractors; (3) verifying consultant and contractor

performance; and (4) maintaining sufficient documentation to detail the history of the procurement.

8. **Ensure that Wiconi implements policies and procedures that contain an adequate segregation of duties for expenses incurred, which ensures that the official that prepares a transaction request, including a time and effort report, is different than the official that authorizes the payment. Specific to soliciting contract agreements, these policies and procedures should ensure that no one person is responsible for executing the entire procurement transaction alone, which includes identifying a needed project, creating a project solicitation, receiving and reviewing bids, awarding the contract, reviewing the contractor's work, and paying the contractor.**

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to address this recommendation.

OVW concurred with this recommendation. In its response, OVW stated that it will coordinate with Wiconi to ensure that it implements written policies and procedures to address this recommendation.

This recommendation can be closed when we receive documentation demonstrating that Wiconi has implemented policies and procedures that contain an adequate segregation of duties for expenses incurred, which ensures that the official that prepares a transaction request, including a time and effort report, is different than the official that authorizes the payment. Specific to soliciting contract agreements, these policies and procedures should ensure that no one person is responsible for executing the entire procurement transaction alone, which includes identifying a needed project, creating a project solicitation, receiving and reviewing bids, awarding the contract, reviewing the contractor's work, and paying the contractor.

9. **Ensure that Wiconi implements policies and procedures to ensure that Wiconi adequately administers contract agreements, which includes ensuring that: (1) contracts are properly signed by both parties who agree on the terms and conditions of the contract prior to when any services are rendered; and (2) ensuring that both parties agree to any contract modifications or amendments, and that those changes are adequately documented.**

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to address this recommendation.

OVW concurred with this recommendation. In its response, OVW stated that it will coordinate with Wiconi to ensure that it implements written policies and procedures to address this recommendation.

This recommendation can be closed when we receive documentation demonstrating that Wiconi has implemented policies and procedures to ensure that Wiconi adequately administers contract agreements, which includes ensuring that: (1) contracts are properly signed by both parties who agree on the terms and conditions of the contract prior to when any services are rendered; and (2) ensuring that both parties agree to any contract modifications or amendments, and that those changes are adequately documented.

- 10. Ensure that Wiconi promptly discloses all real and apparent conflicts of interest in writing to the awarding agency under each of its federal awards, as well as the cognizant Federal audit agency, as mandated by the DOJ Grants Financial Guide.**

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to address this recommendation.

OVW concurred with this recommendation. In its response, OVW stated that it will coordinate with Wiconi to ensure that it promptly discloses conflicts of interest in writing to the awarding agency and cognizant Federal audit agency.

This recommendation can be closed when we receive documentation demonstrating that Wiconi has promptly disclosed all real and apparent conflicts of interest in writing to the awarding agency under each of its federal awards, as well as the cognizant Federal audit agency.

- 11. Ensure that Wiconi implements policies and procedures to ensure that Wiconi adequately addresses conflicts of interest, both real and apparent, as they arise, which includes: (1) implementing a documented process to check for organizational conflicts of interest with potential contractors; (2) promptly reporting all potential conflicts of interest to the awarding agency and cognizant Federal audit agency, and/or proposed or actual actions regarding each irregularity; and (3) enhancing existing Wiconi policy to ensure that written standards of conduct covering conflict of interest and employee participation in selection, award, and administration of contracts is adequately followed.**

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to address this recommendation.

OVW concurred with this recommendation. In its response, OVW stated that it will coordinate with Wiconi to ensure that it implements written policies and procedures to address this recommendation.

This recommendation can be closed when we receive documentation demonstrating that Wiconi has implemented policies and procedures to ensure that Wiconi adequately addresses conflicts of interest, both real and apparent, as they arise, which includes (1) implementing a documented process to check for organizational conflicts of interest with potential contractors; (2) promptly reporting all potential conflicts of interest to the awarding agency and cognizant Federal audit agency, and/or proposed or actual actions regarding each irregularity; and (3) enhancing existing Wiconi policy to ensure that written standards of conduct covering conflict of interest and employee participation in selection, award, and administration of contracts is adequately followed.

- 12. Ensure that Wiconi implements an effective system for adequately and reliably measuring program performance and accomplishments for all future awards for purposes other than shelter services. This includes award programs specific to children's mentoring and counseling.**

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to address this recommendation.

OVW concurred with this recommendation. In its response, OVW stated that it will coordinate with Wiconi to ensure that it implements an effective system for adequately and reliably measuring program performance and accomplishments for all future awards for purposes other than shelter services.

This recommendation can be closed when we receive documentation demonstrating that Wiconi has implemented an effective system for adequately and reliably measuring program performance and accomplishments for all future awards for purposes other than shelter services. This includes award programs specific to children's mentoring and counseling.

- 13. Ensure that Wiconi implements policies and procedures to ensure that Wiconi maintains and verifies valid and auditable source documentation that supports performance measures reported in the semi-annual progress reports.**

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to address this recommendation.

OVW concurred with this recommendation. In its response, OVW stated that it will coordinate with Wiconi to ensure that it implements written policies and procedures to address this recommendation.

This recommendation can be closed when we receive documentation demonstrating that Wiconi has implemented policies and procedures to ensure that Wiconi maintains and verifies valid and auditable source documentation that supports performance measures reported in the semi-annual progress reports.

14. Ensure that Wiconi implements policies and procedures to ensure that Wiconi complies with award special conditions.

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to address this recommendation.

OVW concurred with this recommendation. In its response, OVW stated that it will coordinate with Wiconi to ensure that it implements written policies and procedures to address this recommendation.

This recommendation can be closed when we receive documentation demonstrating that Wiconi has implemented policies and procedures to ensure that Wiconi complies with award special conditions.

15. Ensure that Wiconi implements policies and procedures to ensure that federal cash on hand is the minimum needed for disbursement to be made immediately or within 10 days, and, if the funds are not spent or disbursed within 10 days, Wiconi must return them to the awarding agency as required by the DOJ Grants Financial Guide.

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to address this recommendation.

OVW concurred with this recommendation. In its response, OVW stated that it will coordinate with Wiconi to ensure that it implements written policies and procedures to address this recommendation.

This recommendation can be closed when we receive documentation demonstrating that Wiconi has implemented policies and procedures to ensure that federal cash on hand is the minimum needed for disbursement to be made immediately or within 10 days, and, if the funds are not spent or disbursed within 10 days, Wiconi must return them to the awarding agency as required by the DOJ Grants Financial Guide.

16. Ensure that Wiconi implements policies and procedures to ensure the proper accounting and classification of award funds by establishing a system to adequately record, monitor, and track funds, including matching costs, according to project category in order to: (1) maintain program accounts that enable separate identification and accounting for funds applied to each budget category included within the approved award and to prevent the commingling of funds; (2) consistently classify expenses using a clear and precise

methodology; (3) ensure lump sum payments to credit accounts are broken down by individual expense, receipt, or invoice; and (4) properly report the correct amount of expenditures on its Federal Financial Reports (FFRs).

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to address this recommendation.

OVW concurred with this recommendation. In its response, OVW stated that it will coordinate with Wiconi to ensure that it implements written policies and procedures to address this recommendation.

This recommendation can be closed when we receive documentation demonstrating that Wiconi has implemented policies and procedures to ensure the proper accounting and classification of award funds by establishing a system to adequately record, monitor, and track funds, including matching costs, according to project category in order to: (1) maintain program accounts that enable separate identification and accounting for funds applied to each budget category included within the approved award and to prevent the commingling of funds; (2) consistently classify expenses using a clear and precise methodology; (3) ensure lump sum payments to credit accounts are broken down by individual expense, receipt, or invoice; and (4) properly report the correct amount of expenditures on its Federal Financial Reports (FFRs).

- 17. Ensure that all payroll expenditures at Wiconi are supported by a system of internal controls that provide reasonable assurance that all payroll charges are accurate, reliable, allowable, and properly allocated. This system should ensure that any alterations to payroll records are properly authorized and reflect the actual time worked.**

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to address this recommendation.

OVW concurred with this recommendation. In its response, OVW stated that it will coordinate with Wiconi to ensure that all payroll expenditures are supported by a system of internal controls that provide reasonable assurance that all payroll charges are accurate, reliable, allowable, and properly allocated.

This recommendation can be closed when we receive documentation demonstrating that all payroll expenditures at Wiconi are supported by a system of internal controls that provide reasonable assurance that all payroll charges are accurate, reliable, allowable, and properly allocated. This system should ensure that any alterations to payroll records are properly authorized and reflect that actual time worked.

- 18. Ensure that Wiconi enforces its existing policy and award terms and conditions related to employee work schedules and benefits, which includes ensuring that: (1) Wiconi employees are held accountable to approved work schedules; (2) any hours worked in excess of a regular 40 hour work week is authorized by the appropriate officials; (3) all regularly scheduled holidays are recognized either on the actual holiday, or one day before or after the holiday if the employee is scheduled to work; (4) incentive awards are given only to those that are eligible; (5) employees who receive fringe benefits are working at least 35 hours per week, as mandated by existing policy; and (6) the proper official authorizes timesheets and requests for annual and sick leave.**

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to address this recommendation.

OVW concurred with this recommendation. In its response, OVW stated that it will coordinate with Wiconi to ensure that it enforces its existing policy and award terms and conditions related to employee work schedules and benefits.

This recommendation can be closed when we receive documentation demonstrating that Wiconi has enforced its existing policies and award terms and conditions related to employee work schedules and benefits, which includes ensuring that: (1) Wiconi employees are held accountable to approved work schedules; (2) any hours worked in excess of a regular 40 hour work week is authorized by the appropriate officials; (3) all regularly scheduled holidays are recognized either on the actual holiday, or one day before or after the holiday if the employee is scheduled to work; (4) incentive awards are given only to those that are eligible; (5) employees who receive fringe benefits are working at least 35 hours per week, as mandated by existing policy; and (6) the proper official authorizes timesheets and requests for annual and sick leave.

- 19. Ensure that Wiconi implements policies and procedures to ensure that the accurate amount of annual and sick leave is allocated to each employee, which includes: (1) ensuring that employees only accrue leave based on their regularly scheduled hours; (2) ensuring that all scheduled leave is deducted from each respective employee's balance of leave hours; and (3) ensuring that any administrative leave taken due to an emergency or inclement weather is approved by the appropriate official.**

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to address this recommendation.

OVW concurred with this recommendation. In its response, OVW stated that it will coordinate with Wiconi to ensure that it implements written policies and procedures to address this recommendation.

This recommendation can be closed when we receive documentation demonstrating that Wiconi has implemented policies and procedures to ensure that the accurate amount of annual and sick leave is allocated to each employee, which includes: (1) ensuring that employees only accrue leave based on their regularly scheduled hours; (2) ensuring that all scheduled leave is deducted from each respective employee's balance of leave hours; and (3) ensuring that any administrative leave taken due to an emergency or inclement weather is approved by the appropriate official.

20. Ensure that Wiconi revise its current policy related to holiday, bereavement, and wellness leave to only include leave that is reasonable and justified.

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will coordinate with Wiconi to strengthen its current written policies and procedures to address this recommendation.

OVW concurred with this recommendation. In its response, OVW stated that it will coordinate with Wiconi to ensure that it revises its current policy related to holiday, bereavement, and wellness leave.

This recommendation can be closed when we receive documentation demonstrating that Wiconi has revised its current policy related to holiday, bereavement, and wellness leave to only include leave that is reasonable and justified.

21. Ensure that Wiconi completes required single audits in compliance with 2 C.F.R. 200, or the current Uniform Guidance.

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to address this recommendation.

OVW concurred with this recommendation. In its response, OVW stated that it will coordinate with Wiconi to ensure that it completes required single audits in compliance with current Uniform Guidance.

This recommendation can be closed when we receive documentation demonstrating that Wiconi has implemented policies and procedures to ensure that Wiconi completes required single audits in compliance with 2 C.F.R. 200 or the current Uniform Guidance.

Recommendations for OJP:

- 22. Remedy \$18,754 in unallowable personnel and fringe benefit costs associated with employees that are not listed in the approved award budget.**

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will review the questioned costs under this recommendation and work with Wiconi to remedy these costs, as appropriate.

This recommendation can be closed when we receive documentation demonstrating that the \$18,754 in unallowable personnel and fringe benefit costs associated with employees that are not listed in the approved award budget has been remedied.

- 23. Remedy \$38,084 in unallowable personnel and fringe benefit costs that were incorrectly allocated to the award.**

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will review the questioned costs under this recommendation and work with Wiconi to remedy these costs, as appropriate.

This recommendation can be closed when we receive documentation demonstrating that the \$38,084 in unallowable personnel and fringe benefit costs that were incorrectly allocated to the awards has been remedied.

- 24. Remedy \$7,523 in additional unallowable fringe benefit costs resulting from expenses not allowed by federal award conditions and that were double billed to the award ledgers.**

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will review the questioned costs under this recommendation and work with Wiconi to remedy these costs, as appropriate.

This recommendation can be closed when we receive documentation demonstrating that the \$7,523 in additional unallowable fringe benefit costs resulting from expenses not allowed by federal award conditions and that were double billed to the award ledgers has been remedied.

- 25. Remedy \$17,665 in unallowable consulting costs that were not listed in the approved award budget.**

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will review the questioned costs under this recommendation and work with Wiconi to remedy these costs, as appropriate.

This recommendation can be closed when we receive documentation demonstrating that the \$17,665 in unallowable consultant costs that were not listed in the approved award budget has been remedied.

26. Remedy \$40,168 in unallowable consulting costs that are considered unreasonable or excessive.

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will review the questioned costs under this recommendation and work with Wiconi to remedy these costs, as appropriate.

This recommendation can be closed when we receive documentation demonstrating that the \$40,168 in unallowable consulting costs that are considered unreasonable or excessive has been remedied.

27. Remedy \$41,086 in unallowable consulting costs that were paid prior to when the consulting services were rendered (i.e. retainer fees).

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will review the questioned costs under this recommendation and work with Wiconi to remedy these costs, as appropriate.

This recommendation can be closed when we receive documentation demonstrating that the \$41,086 in unallowable consulting costs that were paid prior to when the consulting services were rendered has been remedied.

28. Remedy \$10,173 in unallowable consulting costs that were erroneously charged to the award.

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will review the questioned costs under this recommendation and work with Wiconi to remedy these costs, as appropriate.

This recommendation can be closed when we receive documentation demonstrating that the \$10,173 in unallowable consulting costs that were erroneously charged to the awards has been remedied.

29. Remedy \$1,444 in unallowable consulting costs that were charged to the incorrect award.

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will review the questioned costs under this recommendation and work with Wiconi to remedy these costs, as appropriate.

This recommendation can be closed when we receive documentation demonstrating that the \$1,444 in unallowable consulting costs that were charged to the incorrect award has been remedied.

30. Remedy \$80,396 in unallowable matching expenditures that were not listed in the approved award budget.

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will review the questioned costs under this recommendation and work with Wiconi to remedy these costs, as appropriate.

This recommendation can be closed when we receive documentation demonstrating that the \$80,396 in unallowable matching expenditures that were not listed in the approved award budget has been remedied.

31. Remedy \$36,294 in unallowable other direct costs that were not listed in the approved award budget.

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will review the questioned costs under this recommendation and work with Wiconi to remedy these costs, as appropriate.

This recommendation can be closed when we receive documentation demonstrating that the \$36,294 in unallowable other direct costs that were not listed in the approved award budget has been remedied.

32. Remedy \$28,607 in unallowable other direct costs that are considered unreasonable or excessive.

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will review the questioned costs under this recommendation and work with Wiconi to remedy these costs, as appropriate.

This recommendation can be closed when we receive documentation demonstrating that the \$28,607 in unallowable other direct costs that are considered unreasonable or excessive has been remedied.

33. Remedy \$7,546 in unallowable other direct costs that were charged to the incorrect award.

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will review the questioned costs under this recommendation and work with Wiconi to remedy these costs, as appropriate.

This recommendation can be closed when we receive documentation demonstrating that the \$7,546 in unallowable other direct costs that were charged to the incorrect award has been remedied.

34. Remedy \$15,839 in unallowable other direct costs that were erroneously charged to the award.

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will review the questioned costs under this recommendation and work with Wiconi to remedy these costs, as appropriate.

This recommendation can be closed when we receive documentation demonstrating that the \$15,839 in unallowable other direct costs that were erroneously charged to the award has been remedied.

35. Remedy \$4,435 in unallowable other direct costs that were double charged to the award.

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will review the questioned costs under this recommendation and work with Wiconi to remedy these costs, as appropriate.

This recommendation can be closed when we receive documentation demonstrating that the \$4,435 in unallowable other direct costs that were double charged to the award has been remedied.

36. Remedy \$3,438 in unallowable expenses incurred prior to OJP's review and approval of Wiconi's budget and budget narrative.

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will review the questioned costs under this recommendation and work with Wiconi to remedy these costs, as appropriate.

This recommendation can be closed when we receive documentation demonstrating that the \$3,438 in unallowable expenses incurred prior to OJP's review and approval of Wiconi's budget and budget narrative has been remedied.

37. Remedy \$16,514 in unallowable costs resulting from transfers between budget categories exceeding 10 percent of the total award under Award Number 2013-VR-GX-K025.

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will review the questioned costs under this recommendation and work with Wiconi to remedy these costs, as appropriate.

This recommendation can be closed when we receive documentation demonstrating that the \$16,514 in unallowable costs resulting from transfers between budget categories exceeding 10 percent of the total award under Award Number 2013-VR-GX-K025 has been remedied.

38. Remedy the \$15,560 in unallowable excess drawdowns under Award Number 2013-VI-GX-K008.

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will review the questioned costs under this recommendation and work with Wiconi to remedy these costs, as appropriate.

This recommendation can be closed when we receive documentation demonstrating that the \$15,560 in unallowable excess drawdowns under Award Number 2013-VI-GX-K008 has been remedied.

39. Remedy \$766,303 in unsupported personnel and fringe benefit costs resulting from:

a. \$680,207 in unreliable payroll records.

b. \$86,096 in personnel and fringe benefit costs with missing or invalid supporting documentation.

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will review the questioned costs under this recommendation and work with Wiconi to remedy these costs, as appropriate.

This recommendation can be closed when we receive documentation demonstrating that the \$766,303 in unsupported personnel and fringe benefit costs has been remedied.

40. Remedy \$158,552 in unsupported consulting costs.

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will review the questioned costs under this recommendation and work with Wiconi to remedy these costs, as appropriate.

This recommendation can be closed when we receive documentation demonstrating that the \$158,552 in unsupported consulting costs has been remedied.

41. Remedy \$920 in unsupported equipment costs resulting from purchases that do not contribute towards the completion of award goals and objectives.

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will review the questioned costs under this recommendation and work with Wiconi to remedy these costs, as appropriate.

This recommendation can be closed when we received documentation demonstrating that the \$920 in unsupported equipment costs resulting from purchases that do not contribute towards the completion of award goals and objectives has been remedied.

42. Remedy \$86,538 in unsupported matching expenditures.

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will review the questioned costs under this recommendation and work with Wiconi to remedy these costs, as appropriate.

This recommendation can be closed when we receive documentation demonstrating that the \$86,538 in unsupported matching expenditures has been remedied.

43. Remedy \$55,514 in unsupported other direct costs.

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will review the questioned costs under this recommendation and work with Wiconi to remedy these costs, as appropriate.

This recommendation can be closed when we receive documentation demonstrating that the \$55,514 in unsupported other direct costs has been remedied.

44. Remedy \$82,251 in unsupported expenditures purchased using a credit account, which are a result of: (1) unauthorized purchases; (2) limited assurance that expenses are properly allocated to the appropriate award; (3) insufficient detail in the accounting records to properly track and monitor expenses; and (4) purchases for purposes unassociated with award activities.

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will review the questioned costs under this recommendation and work with Wiconi to remedy these costs, as appropriate.

This recommendation can be closed when we receive documentation demonstrating that the \$82,251 in unsupported expenditures purchased using a credit account has been remedied.

45. Remedy unsupported drawdowns totaling \$450,000 under Award Number 2013-VR-GX-K025 and \$442,245 under Award Number 2013-VI-GX-K008 resulting from the extensive mismanagement of award funds, as well as the limited supportable progress towards the completion of award goals and objectives.

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will review the questioned costs under this recommendation and work with Wiconi to remedy these costs, as appropriate.

This recommendation can be closed when we receive documentation demonstrating that the \$450,000 in unsupported drawdowns under Award Number 2013-VR-GX-K025 and \$442,245 in unsupported drawdowns under Award Number 2013-VI-GX-K008 has been remedied.

46. Remedy and put to better use the remaining \$429,619 in funds obligated against Award Number 2014-XV-BX-K029, as this funding does not further support the original award goals and objectives.

Resolved. OJP agreed with this recommendation. In its response, OJP stated that its Office of the Chief Financial Officer (OCFO) performed a financial reconciliation of Award Number 2014-XV-BX-K029 and deobligated \$399,716 of the \$429,619 in unobligated funds associated with this award on December 27, 2018. OJP also provided evidence that the remaining \$29,902 in unobligated funds under this award were reported as expenditures on the

final FFR provided by Wiconi. However, no documentation to support these expenditures was provided. OJP stated that if there are no adjustments to the final FFR, the remaining \$29,902 in funds would be due to Wiconi upon closeout of the award.

We reviewed this documentation and determined that \$399,716 of the \$429,619 in funds to be put to better use has been addressed. However, we determined that the total \$429,619 in funds that have not been drawn down under Award Number 2014-XV-BX-K029 should be put to better use based on inadequate support of program accomplishments.

Therefore, this recommendation can be closed when we receive documentation demonstrating that the remaining \$29,902 in funds obligated against Award Number 2014-XV-BX-K029 have been remedied.

47. Remedy and put to better use the remaining \$7,755 in funds obligated against Award Number 2013-VI-GX-K008, which has expired but has not yet been closed.

Closed. OJP agreed with this recommendation. In its response, OJP provided evidence that the OCFO performed a financial reconciliation of Award Number 2013-VI-GX-K008 and deobligated the \$7,755 in unobligated funds associated with this award on September 29, 2018.

We reviewed this documentation and determined that it adequately addresses our recommendation. Therefore, this recommendation is closed.

48. Further review the allowability of expenditures associated with the final drawdown of \$28,102 under Award Number 2013-VI-GX-K008.

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will review the costs related to the final drawdown under Award Number 2013-VI-GX-K008 to determine the allowability of these costs, and will work with Wiconi to remedy these costs, as appropriate.

This recommendation can be closed when we receive documentation demonstrating that the final drawdown under Award Number 2013-VI-GX-K008, totaling \$28,102, has been reviewed to determine the allowability of expenditures.

49. Ensure that Wiconi implements policies and procedures to ensure that any event broadly defined as a conference is properly administered based on the guidance set forth in the DOJ Grants Financial Guide.

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to address this recommendation.

This recommendation can be closed when we receive documentation demonstrating that Wiconi has implemented policies and procedures to ensure that any even broadly defined as a conference is properly administered based on the guidance set for in the DOJ Grants Financial Guide.

- 50. Ensure that Wiconi implements policies and procedures to ensure that all requests for matching contributions are properly authorized, which includes requiring that all matching requests are approved by a member of the Board of Director's who has reviewed the request.**

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to address this recommendation.

This recommendation can be closed when we receive documentation demonstrating that Wiconi has implemented policies and procedures to ensure that all requests for matching contributions are properly authorized, which includes requiring that all matching requests are approved by a member of the Board of Director's who has reviewed the request.

- 51. Ensure that Wiconi implements policies and procedures to ensure the proper accounting of matching contributions, which includes maintaining a general ledger that clearly shows the source, amount, and timing of these expenditures.**

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to address this recommendation.

This recommendation can be closed when we receive documentation demonstrating that Wiconi has implemented policies and procedures to ensure the proper accounting of matching contributions, which includes maintaining a general ledger that clearly shows the source, amount, and timing of these expenditures.

- 52. Ensure that Wiconi implements policies and procedures to ensure that Wiconi retains qualified individuals under each award program, which includes maintaining adequate qualifications for each individual, such as resumes, background checks, or letters of reference.**

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will coordinate with Wiconi to obtain a copy of written policies and procedures, developed and implemented, to address this recommendation.

This recommendation can be closed when we receive documentation demonstrating that Wiconi has implemented policies and procedures to ensure that Wiconi retains qualified individuals under each award program,

which includes maintaining adequate qualifications for each individual, such as resumes, background checks, or letters of reference.

- 53. Provide additional oversight and monitoring of Wiconi to ensure that the award goals and objectives are adequately achieved under Award Number 2015-VT-BX-K059 and Award Number 2016-VR-GX-K014, which includes potentially reviewing and revising the award goals and objectives for Award Number 2016-VR-GX-K014.**

Resolved. OJP agreed with this recommendation. In its response, OJP stated that it will continue to monitor Wiconi's progress in achieving the goals and objectives of each of the grant programs listed under this recommendation and will review and revise these goals and objectives if necessary.

This recommendation can be closed when we receive documentation demonstrating that OJP has provided additional oversight and monitoring of Wiconi to ensure that the award goals and objectives are adequately achieved under Award Number 2015-VT-BX-K059 and Award Number 2016-VR-GX-K014, which includes potentially reviewing and revising the award goals and objectives for Award Number 2016-VR-GX-K014.

Recommendations for OVW:

- 54. Remedy \$11,205 in unallowable personnel and fringe benefit costs associated with employees that are not listed in the approved award budget.**

Resolved. OVW concurred with this recommendation. In its response, OVW stated that it will work with Wiconi to remedy the questioned costs under this recommendation.

This recommendation can be closed when we receive documentation demonstrating that the \$11,205 in unallowable personnel and fringe benefit costs associated with employees that are not listed in the approved award budget has been remedied.

- 55. Remedy \$30,619 in unallowable personnel and fringe benefit costs that were incorrectly allocated to the award.**

Resolved. OVW concurred with this recommendation. In its response, OVW stated that it will work with Wiconi to remedy the questioned costs under this recommendation.

This recommendation can be closed when we receive documentation demonstrating that the \$30,619 in unallowable personnel and fringe benefit costs that were incorrectly allocated to the award has been remedied.

- 56. Remedy \$27,189 in additional unallowable fringe benefit costs resulting from expenses that are not listed in the approved award budget and are double billed to the award ledger.**

Resolved. OVW concurred with this recommendation. In its response, OVW stated that it will work with Wiconi to remedy the questioned costs under this recommendation.

This recommendation can be closed when we receive documentation demonstrating that the \$27,189 in additional unallowable fringe benefit costs resulting from expenses that are not listed in the approved award budget and are double billed to the award ledger has been remedied.

- 57. Remedy \$10,636 in unallowable consulting costs that were not listed in the approved award budget.**

Resolved. OVW concurred with this recommendation. In its response, OVW stated that it will work with Wiconi to remedy the questioned costs under this recommendation.

This recommendation can be closed when we receive documentation demonstrating that the \$10,636 in unallowable consulting costs that were not listed in the approved award budget has been remedied.

- 58. Remedy \$7,129 in unallowable consulting costs that were paid prior to when the consulting services were rendered (i.e. retainer fees).**

Resolved. OVW concurred with this recommendation. In its response, OVW stated that it will work with Wiconi to remedy the questioned costs under this recommendation.

This recommendation can be closed when we receive documentation demonstrating that the \$7,129 in unallowable consulting costs that were paid prior to when the consulting services were rendered has been remedied.

- 59. Remedy \$727 in unallowable consulting costs resulting from costs that were erroneously charged to the award.**

Resolved. OVW concurred with this recommendation. In its response, OVW stated that it will work with Wiconi to remedy the questioned costs under this recommendation.

This recommendation can be closed when we receive documentation demonstrating that the \$727 in unallowable consulting costs resulting from costs that were erroneously charged to the award has been remedied.

60. Remedy \$7,220 in unallowable equipment costs that were not listed in the approved award budget.

Resolved. OVW concurred with this recommendation. In its response, OVW stated that it will work with Wiconi to remedy the questioned costs under this recommendation.

This recommendation can be closed when we receive documentation demonstrating that the \$7,220 in unallowable equipment costs that were not listed in the approved award budget has been remedied.

61. Remedy \$24,974 in unallowable other direct costs that were not listed in the approved award budget.

Resolved. OVW concurred with this recommendation. In its response, OVW stated that it will work with Wiconi to remedy the questioned costs under this recommendation.

This recommendation can be closed when we receive documentation demonstrating that the \$24,974 in unallowable other direct costs that were not listed in the approved award budget has been remedied.

62. Remedy \$4,668 in unallowable other direct costs that are considered unreasonable or excessive.

Resolved. OVW concurred with this recommendation. In its response, OVW stated that it will work with Wiconi to remedy the questioned costs under this recommendation.

This recommendation can be closed when we receive documentation demonstrating that the \$4,668 in unallowable other direct costs that are considered unreasonable or excessive has been remedied.

63. Remedy \$6,376 in unallowable other direct costs that were charged to the incorrect award.

Resolved. OVW concurred with this recommendation. In its response, OVW stated that it will work with Wiconi to remedy the questioned costs under this recommendation.

This recommendation can be closed when we receive documentation demonstrating that the \$6,376 in unallowable other direct costs that were charged to the incorrect award has been remedied.

64. Remedy \$10,640 in unallowable other direct costs that were erroneously charged to the award.

Resolved. OVW concurred with this recommendation. In its response, OVW stated that it will work with Wiconi to remedy the questioned costs under this recommendation.

This recommendation can be closed when we receive documentation demonstrating that the \$10,640 in unallowable other direct costs that were erroneously charged to the awards has been remedied.

65. Remedy \$1,753 in unallowable other direct costs that were double charged to the award.

Resolved. OVW concurred with this recommendation. In its response, OVW stated that it will work with Wiconi to remedy the questioned costs under this recommendation.

This recommendation can be closed when we receive documentation demonstrating that the \$1,753 in unallowable other direct costs that were double charged to the award has been remedied.

66. Remedy \$4,061 in unallowable expenditures incurred after the award closeout date under Award Number 2013-CY-AX-K020.

Resolved. OVW concurred with this recommendation. In its response, OVW stated that it will work with Wiconi to remedy the questioned costs under this recommendation.

This recommendation can be closed when we receive documentation demonstrating that the \$4,061 in unallowable expenditures incurred after the award closeout date under Award Number 2013-CY-AX-K020 has been remedied.

67. Remedy \$27,649 in unallowable excess drawdowns associated with:

a. \$11,805 in award reimbursements not supported by expenditures under Award Number 2012-TW-AX-0016.

b. \$15,844 in award reimbursements not supported by expenditures under Award Number 2013-TW-AX-0016.

Resolved. OVW concurred with this recommendation. In its response, OVW stated that it will work with Wiconi to remedy the questioned costs under this recommendation.

This recommendation can be closed when we receive documentation demonstrating that the \$27,649 in unallowable excess drawdowns has been remedied.

68. Remedy \$1,253,365 in unsupported personnel and fringe benefit costs resulting from:

a. \$1,214,404 in unreliable payroll records.

b. \$38,961 in personnel and fringe benefit costs with missing or invalid supporting documentation.

Resolved. OVW concurred with this recommendation. In its response, OVW stated that it will work with Wiconi to remedy the questioned costs under this recommendation.

This recommendation can be closed when we receive documentation demonstrating that the \$1,253,365 in unsupported personnel and fringe benefit costs has been remedied.

69. Remedy \$24,796 in unsupported consulting costs.

Resolved. OVW concurred with this recommendation. In its response, OVW stated that it will work with Wiconi to remedy the questioned costs under this recommendation.

This recommendation can be closed when we receive documentation demonstrating that the \$24,796 in unsupported consulting costs has been remedied.

70. Remedy \$34,833 in unsupported equipment expenditures.

Resolved. OVW concurred with this recommendation. In its response, OVW stated that it will work with Wiconi to remedy the questioned costs under this recommendation.

This recommendation can be closed when we receive documentation demonstrating that the \$34,833 in unsupported equipment expenditures has been remedied.

71. Remedy \$99,645 in unsupported other direct costs.

Resolved. OVW concurred with this recommendation. In its response, OVW stated that it will work with Wiconi to remedy the questioned costs under this recommendation.

This recommendation can be closed when we receive documentation demonstrating that the \$99,645 in unsupported other direct costs has been remedied.

- 72. Remedy \$54,880 in unsupported expenditures purchased using a credit account, which are a result of: (1) unauthorized purchases; (2) limited assurance that expenses are properly allocated to the appropriate award; (3) insufficient detail in the accounting records to properly track and monitor expenses; and (4) purchases for purposes unassociated with award activities.**

Resolved. OVW concurred with this recommendation. In its response, OVW stated that it will work with Wiconi to remedy the questioned costs under this recommendation.

This recommendation can be closed when we receive documentation demonstrating that the \$54,880 in unsupported expenditures purchased using a credit account has been remedied.

- 73. Remedy \$255,474 in unsupported drawdowns under Award Number 2013-CY-AX-K020 resulting from extensive mismanagement of award funds, as well as limited supportable progress towards the completion of award goals and objectives.**

Resolved. OVW concurred with this recommendation. In its response, OVW stated that it will work with Wiconi to remedy the questioned costs under this recommendation.

This recommendation can be closed when we receive documentation demonstrating that the \$255,474 in unsupported drawdowns under Award Number 2013-CY-AX-K020 has been remedied.

- 74. Remedy \$712,224 in unsupported drawdowns resulting from: (1) extensive mismanagement of award funds; (2) limited supportable progress towards the completion of award goals and objectives; and (3) a duplication of DOJ funding for similar costs and award goals and objectives. This includes \$454,000 under Award Number 2013-TW-AX-0016, \$80,409 under Award Number 2014-KT-AX-0007, \$105,615 under Award Number 2015-WR-AX-0031, and \$72,200 under Award Number 2016-TW-AX-0024.**

Resolved. OVW concurred with this recommendation. In its response, OVW stated that it will work with Wiconi to remedy the questioned costs under this recommendation.

This recommendation can be closed when we receive documentation demonstrating that the \$712,224 in unsupported drawdowns has been remedied. This includes This includes \$454,000 under Award Number 2013-TW-AX-0016, \$80,409 under Award Number 2014-KT-AX-0007, \$105,615 under Award Number 2015-WR-AX-0031, and \$72,200 under Award Number 2016-TW-AX-0024.

- 75. Remedy and put to better use \$1,216,775 in award funds duplicative of existing DOJ funding for similar costs and award objectives, which includes the remaining \$244,591 in funds obligated against Award Number 2014-KT-AX-0007, the \$444,385 in funds obligated against Award Number 2015-WR-AX-0031, and \$527,800 in funds obligated against Award Number 2016-TW-AX-0024.**

Resolved. OVW concurred with this recommendation. In its response, OVW stated that it will work with Wiconi to remedy and put to better use the costs identified under this recommendation.

This recommendation can be closed when we receive documentation demonstrating that the \$1,216,775 in award funds duplicative of existing DOJ funding for similar costs and award objectives has been put to better use. This includes the remaining \$244,591 in funds obligated against Award Number 2014-KT-AX-0007, the \$444,385 in funds obligated against Award Number 2015-WR-AX-0031, and \$527,800 in funds obligated against Award Number 2016-TW-AX-0024.

- 76. Remedy and put to better use the remaining \$89,013 in funds obligated against Award Number 2013-CY-AX-K020, which has expired but has not yet been closed.**

Resolved. OVW concurred with this recommendation. In its response, OVW stated that it will work with Wiconi to remedy and put to better use the costs identified under this recommendation.

This recommendation can be closed when we receive documentation demonstrating that the \$89,013 in funds obligated against Award Number 2013-CY-AX-K020, which has expired but has not yet been closed, has been put to better use.

- 77. Provide additional monitoring and oversight of Wiconi to ensure that the award goals and objectives are adequately met under Award Number 2016-WH-AX-0022.**

Resolved. OVW concurred with this recommendation. In its response, OVW stated that it will work with Wiconi to provide additional monitoring and oversight of Wiconi to ensure the award goals and objectives are adequately met under Award Number 2016-WH-AX-0022.

This recommendation can be closed when we receive documentation demonstrating that OVW has provided additional monitoring and oversight of Wiconi to ensure the award goals and objectives are adequately met under Award Number 2016-WH-AX-0022.

- 78. Ensure that Wiconi implements policies and procedures to ensure that any donations or other sources of revenue related to its projects are adequately tracked and accounted for, which includes establishing and maintaining program accounts that enable separate identification and accounting for receipt and disposition of all funds.**

Resolved. OVW concurred with this recommendation. In its response, OVW stated that it will coordinate with Wiconi to ensure that it implements written policies and procedures to address this recommendation.

This recommendation can be closed when we receive documentation demonstrating that Wiconi has implemented policies and procedures to ensure that any donations or other sources of revenue related to its projects are adequately tracked and accounted for, which includes establishing and maintaining program accounts that enable separate identification and accounting for receipt and disposition of all funds.



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